RIGHTS SHARE OFFER DOCUMENT

OF

CENTRAL INSURANCE COMPANY LIMITED

Symbol of progress & protection

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CENTRAL INSURANCE COMPANY LTD.

RIGHTS SHARE OFFER DOCUMENT

Date: March 13, 2012

Rights Offer of 11,233,580 Ordinary Shares of BDT 10.00 each at an issue price of BDT 15.00 each including a premium of BDT 5.00 per share totaling BDT 16,85,03,700.00 offered on the basis of 1 (one) rights shares for 2 (two) existing shares held.

RECORD DATE

April 10, 2012

SUBSCRIPTION

Opens on: April 25, 2012
Closes on: May 23, 2012
(Within banking hours, both days inclusive)

MANAGER TO THE ISSUE

BMSL Investment Limited
(A Full-Fledged Merchant Bank)
Sadharan Bima Tower (7th Floor),
37/A, Dilkusha C.A., Dhaka-1000
Phone: +88-02-7169428, 9565183, 9570624, 9567002, 01619131318, Fax: + 88-02-7123820
E-mail:info@bmslinvestment.com Web-site: **www.bmslinvestment.com**

FULLY UNDERWRITTEN BY

BMSL Investment Limited
Sadharan Bima Tower (7th Floor), 37/A Dilkusha C.A., Dhaka-1000.

As per provision of the Depository Act, 1999 and regulation made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

CREDIT RATING BY
Credit Rating Agency of Bangladesh (CRAB)

Ratings	Claim Paid Ability (CPA)
Long Term	A_3
Short Term	ST-3
Date of Rating	03 July, 2011
Valid till	30 June, 2012

Symbol of progress & protection

CENTRAL INSURANCE COMPANY LIMITED
Uttara Bank Bhaban (13th floor), 90-91 Motijheel C.A., Dhaka-1000
Telephone:+ 88-02- 9560251-4
Fax: + 88-02-9567422

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Definition and Elaboration of the abbreviated words and technical terms used in the Rights Share Offer Document

BMSL	:	BMSL Investment Limited
Allotment	:	Allotment of Share
BB	:	Bangladesh Bank
CICL	:	Central Insurance Company Ltd.
Commission	:	Securities and Exchange Commission
Companies Act	:	Companies Act 1994 (Act. No. XVIII of 1994)
DSE	:	Dhaka Stock Exchange Limited
CSE	:	Chittagong Stock Exchange Limited
Issue	:	Rights Issue
Issue Manager	:	BMSL Investment Limited
Issuer Company	:	Central Insurance Company Limited
CENTRALINS	:	Central Insurance Company Limited
NAV	:	Net Assets Value
Offering Price	:	Offered Price of the Rights Shares of Central Insurance Company Limited
Registered Office	:	Head Office of the Company
RI	:	Rights Issue
Rights Issue Rule	:	Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	:	Registrar of Joint Stock Companies & Firms
SEC	:	Securities and Exchange Commission
Securities	:	Shares of Central Insurance Company Limited
Securities Market	:	The Share Market of Bangladesh
Sponsor	:	The Sponsor Shareholders of Central Insurance Company Limited
Stockholder	:	Shareholder
Subscription	:	Application Money

Central Insurance Company Limited

Uttara Bank Bhaban (13th floor), 90-91 Motijheel C.A.
Dhaka-1000

RIGHTS ISSUE OFFER

April 10, 2012

Dear Shareholder(s)

We are pleased to inform you that the shareholders of the Company in the 23rd Annual General Meeting held on June 20, 2011 approved to issue Rights offer of 11,233,580 Ordinary Shares of BDT 10.00 each at an issue price of BDT 15.00 each including a premium of BDT 5.00, totaling BDT 16,85,03,700.00 (Considering the change of denomination of share of The Company from BDT 100.00 to BDT 10.00 in compliance with SEC Directive in this regard dated September 15, 2011. Change of Denomination of share was approved in the 6th EGM of the Co. held on November 10, 2011) offered on the basis of 1 (one) right share for every 2 (Two) shares held. The purpose of issuance of Rights Share is to strengthen the capital base of the Company and compliance with capital structure of Insurance Act 2010.

By way of satisfactory activities and services, the Company has earned net premium income less re-insurance of BDT 157.25 million in the year ended on 31 December 2011 and declared 15% stock dividend for the year. This success has been achieved due to strong support from our clients and efficient direction of the Board of Directors as well as patronization and active participation of our valued shareholders.

To maintain further growth and increase the capital base of our Company, we hope you would come forward with your full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared in the light of the Securities and Exchange Commission (Rights Issue) Rules, 2006 of the Securities and Exchange Commission is enclosed herewith for your kind information and evaluation.

On behalf of the Board of Directors

Sd/-
(Md. Zahid Anwar Khan)
Managing Director

CORPORATE INFORMATION

REGISTERED OFFICE

CENTRAL INSURANCE COMPANY LIMITED

Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
Telephone: + 88-02- 9560251-4
Fax: + 88-02-9567422

Date of Incorporation	:	November 12, 1987
Commencement of Business	:	November 12, 1987
Registered with the Department of Insurance	:	November 30, 1987
Prospectus Issued for flotation of public share	:	September 22, 1994
Listing with Dhaka Stock Exchange Limited	:	March 20, 1995
Listing with Chittagong Sock Exchange Limited	:	October 22, 1995
Authorized Capital	:	BDT 1000 million
Paid-up-Capital	:	BDT 224.68 million*
First AGM of public shareholders	:	August 7, 1995
Amount of subscription	:	BDT 60.00 million
Subscription opened	:	December 19, 1994
Subscription closed	:	December 28, 1994
Net Profit after tax as on 31st December 2011	:	BDT 52.60 million
Number of Employees	:	319
Number of Branches	:	28

AUDITORS G. Kibria & Co. Chartered Accountants 24-25, Dilkusha Commercial Area Dhaka-1000, Bangladesh.
LEGAL ADVISORS A. S. M. M Kabir Khan Advocate Supreme Court of Bangladesh
BANKER National Credit & Commerce Bank Limited. Prime Bank Limited.
CENTRAL INSURANCE COMPANY LIMITED Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000 Telephone: + 88-02- 9560251-4 Fax: + 88-02-9567422

HIGHLIGHTS OF THE COMPANY

01. The Company was incorporated on November 12, 1987 as a Public Limited Company.
02. The Company commenced its business on November 12, 1987 and has already completed more than 24 (twenty four) successful years of operation.
03. The Company went for public issue in the year 1994 by issuing 3,000,000 Ordinary Shares of BDT 100.00 each totaling BDT 3,00,00,000.00. (Later on, denomination of share was changed from BDT 100.00 to BDT 10.00 by SEC Directive Dated September 15, 2011)
04. The Company was listed with the Dhaka Stock Exchange Limited on March 20, 1995and with Chittagong Stock Exchange on October 22, 1995
05. The authorized capital of the Company is BDT 1000.00 million and paid up capital is BDT 224.68 million.
06. The Company has a network of 28 branches all over the country.
07. Total equity structure of the Company as on December 31, 2011 is shown below:-

(Amounts in BDT)

Shareholder's Equity	31.12.2011	31.12.2010
Share Capital	224,671,600.00	19,53,66,600.00
Share Premium	-	-
Reserve for Exceptional losses	110,831,623.00	9,51,06,072.00
General Reserve	20,500,000.00	2,00,00,000.00
Investment Equalization Fund	7,100,000.00	60,00,000.00
Revaluation Reserve	206,599,638.00	20,65,99,638.00
Balance of profit & loss appropriation A/C	163,317.00	1,51,228.00
Total Shareholder's Equity	**569,866,178.00**	**52,32,23,538.00**

Additional Information

(Source DSE monthly review)

a)	Market Price per Share as on 31 December 2011	Tk.	68.20
b)	Market Price per Share as on 30 November 2011	Tk.	40.30
c)	Market Price per Share as on 31 October 2011	Tk.	58.40
d)	Market Price per Share as on 30 September 2011	Tk.	53.20
e)	Market Price per Share as on 31 August 2011	Tk.	79.10
f)	Market Price per Share as on 31 July 2011	Tk.	82.37

(Considering the change of denomination of share of The Company from BDT 100.00 to BDT 10.00 in compliance with SEC Directive in this regard dated September 15, 2011. Change of Denomination of share was approved in the 6th EGM of the co. dated November 10, 2011.)

AGM held in last five years & Dividend declared:

Year	Date of AGM held	Dividend declared
2011 (Proposed)	May 2, 2012	15%
2010	20th June 2011	15%
2009	22nd June 2010	15%
2008	9th August 2009	10%
2007	29th June 2008	10%

Board of Directors

SL No.	Name of Directors	Position	Business Address
1.	Alhaj Md. Abu Taher Chowdhury	Chairman	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
2.	Mr. Md. Tayabur Rahman	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
3.	Alhaj Md. Shafi	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
4.	Alhaj Md. Abdul Maleque	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
5.	Alhaj Md. Shahjahan	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
6.	Mr. Zoynal Abedin Chowdhury	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
7.	Mrs. Shahazadi Umme Habia Khanam	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
8.	Mrs. Sarita Rahman	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
9.	Mr. Abul Kalam	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
10.	Mrs. Sufia Kabir	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
11.	Mr. Nurul Islam	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
12.	Mr. S. M. Shafiul Bari	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
13.	Mrs. Shahida Naznin	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000

SL No.	Name of Directors	Position	Business Address
14.	Mr. Nabab Siraj-ud-Dowla	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
15.	Mrs. Tayeeba Alam	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
16.	Mrs. Shamim Ara Begum	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
17.	Mrs. Nasrin Sultana	Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
18.	Mr. Md. Nurul Islam	Independent Director	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000

UTILIZATION OF PREVIOUS IPO FUND

Central Insurance Company Limited went for public issue in the year 1994 by issuing 300,000 Ordinary Shares of BDT 100.00 each at per with the objective to strengthen the capital base and business expansion. The Company has fully utilized the entire fund thus raised by investing in FDR and Capital market, which has already been reflected in the audited accounts of the subsequent years of public issue. Moreover, the Company is very much regular in furnishing the utilization report of IPO fund to the authority.

UTILIZATION OF PREVIOUS FUND RAISED BY RIGHTS ISSUE:

The Company went for rights offer in the year 2005 & 2008 to raise fund amounting total BDT 62.136 million and, as per requirement of the Chief Controller of Insurance, this fund was kept in the form of Fixed Deposit Receipt (FDR) with various Banks. The statement of fund utilized is given below:

Break-up of Rights Share fund utilization:

Sl. No.	Particulars	Amount in BDT
1.	F.D.R	3,60,00,000.00
2.	F.D.R	2,61,36,000.00

MANAGEMENT TEAM

The Management team of Central Insurance Company Limited is headed by Mr. Md. Zahid Anwar Khan, Managing Director who has around 25 years of experience in the insurance industry. To support Mr. Md. Zahid Anwar Khan there are 2 (Two) Advisors, 1 (one) Deputy Managing Director and Chief Financial officer and 1 (one) Company Secretary in the head office as enumerated below:

Name	Designation
Md. Zahid Anwar Khan	Managing Director
Mr. Azizul Haque Chowdhury	Chief Adviser
Alhaj Md. Nurun Newaz	Advisor
Md. Zafrul Islam Bhuiyan	Deputy Managing Director & Chief financial Officer (CFO)
Md. Jafar Ali	Company Secretary (Current Charge) & Vice President (Board)
S. M. Jahirul Alam (Claims & Re-Insurance Department) Md. Morshed Hasan (Branch Control & U/W Department)	Senior Vice President
Md. Mahfizur Rahman (Branch Control & Claims Department)	Vice President

Highlights of Rights Offer

Central Insurance Company Limited is one of the first generation private Non-Life insurance Company in Bangladesh. The Company is a public listed Company categorized in private sector incorporated as a Public Limited Company under the Companies Act 1913 on November 12, 1987. In 1994 the Company raised capital through IPO and now it conducts its' business operations according to Securities and Exchange Rules 1987, the Insurance Act, 1938 and the Insurance Rules, 1958 as amended from time to time. Under the supervision of regulatory bodies the Company established itself as one of the leading Non-Life insurance Company of the country. In the year 2011 the Company earned profit of BDT 52.59 million (after tax) and EPS was 2.34 and also declared 15% stock dividend. Over the last two and a half decades of operation, it established a brand image as a prominent Non-Life insurance Company of the country through product diversification and superior service quality.

The Board of Directors of the Company in its 171st Board meeting held on 18th April 2011, recommended for declaration of stock dividend @ 15% for the year ended 31st December 2010 increasing the paid up capital to BDT 224.68 million. Simultaneously, it decided to raise paid up capital through issuance of Rights share of 11,233,580 Ordinary Shares of BDT 10.00 each (Considering the change of denomination of share of The Company from BDT 100.00 to BDT 10.00 in compliance with SEC Directive in this regard dated September 15, 2011. Change of Denomination of share was approved in the 6th EGM of the co. dated November 10, 2011.) at an issue price at BDT 15.00 each including a premium of BDT 5.00 per share at a ratio of 1R:2 [1(one) right shares for 2 (Two) existing shares held] on the basis of paid up capital of BDT 224.68 after crediting bonus share as approved in the 23rd AGM held on 20th June 2011.

Issue Price

In the 23rd Annual General Meeting held on June 20, 2011 honorable shareholders approved Rights Offer of 11,233,580 Ordinary Shares of BDT 10.00 each (Considering the change of denomination of share of The Company from BDT 100.00 to BDT 10.00 in compliance with SEC Directive in this regard dated September 15, 2011. Change of Denomination of share was approved in the 6th EGM of the co. dated November 10, 2011.) at an issue price of BDT 15.00 each including a premium of BDT 5.00 per share totaling Tk 16,85,03,700.00 offered on the basis of 1 (one) rights share for 2 (two) existing shares held.

RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT RISKS:

Any investment is always associated with some internal / external risk factors and among the factors some can be averted, others remain beyond control. The management of Central Insurance Company Limited considers some risk factors involving their business which are described as under:

Interest rate risks:

Volatility of money market usually influences the interest rate structure affecting return on investment/deposits. The Company net earnings were BDT 28,940,060.00 from FDR, NIB & Bank STD Accounts. The Income from fixed & other deposits may fall with the reduction of Interest rate of commercial bank as per current trend.

Company's perception: The Management of the Company is always aware of interest rate. If the interest rate increases the cost of credit fund will increase. On the other hand, if the interest rate decreases the Company will go for the alternative investment such as investment in shares and debentures or real estate instead of investing in FDR.

Exchange rate risks:

Devaluation of local currency against major international currencies i.e. USD, GBP and Euro may affect the Company's marine insurance business.

Company's perception: Devaluation of local currency not only would affect CICL, but the entire industry will be affected. Besides, generally devaluation of local currency against international currencies increases premium income that will ultimately enhance Net profit of the Company.

Industry risks:

I. Liberalization of permission to set up more insurance companies by the Government

Liberalization of permission to set up more insurance companies by government may result in severe competition amongst insurers resulting in reduction of premium income and profitability of the Company.

Company's perception: As per Insurance Act 2010 every Non-Life insurance Company's initial paid up capital must be BDT 40.00 Crore of which 24.00 Crore will be sponsors capital and 16.00 Crore from general people. So it is not likely that too many new companies would be established in this industry. Besides, insurance business largely depends on trust and reputation, which the Company has already achieved during more than 24 years successful operation. Now CICL is a reputed brand in insurance sector. Moreover CICL is continuously trying to do product diversification according to changing market demand which increases revenue as well as customer satisfaction.

II. Natural calamities

The coverage of natural calamities like cyclone, flood by insurance may severely weaken the financial strength of the Company by accruing heavy claims on its own retained account.

Company's perception: The estimated losses arising from natural calamities are covered by higher rates of premium and reinsurance coverage for such losses. Management has taken into consideration statistical assessment of occurrence of natural calamities in setting its rates of premium and reinsurance risks. Moreover, most of our portfolios (fire including flood, cyclone risks) are protected under Catastrophic Excess of Loss (CATXL) Treaty with Reinsures. Besides, the Company always maintains a reserve for exceptional losses as per paragraph 6(2) of the 4th schedule of Income Tax Ordinance 1984 for meeting unexpected future claims.

Market & Technology related-risks:

To be competitive in the market, insurance companies need to develop new products and offer excellent clients services and also to expand the market by bringing more and more items under the purview of insurance, otherwise the competitors may take away existing Company's business.

Company's perception: Insurance business is increasing globally. New items are coming under the coverage of various insurance as days pass by; the market is expanding as people are realizing the importance of insurance. CICL provides excellent services and plans to introduce new products giving importance on Research and Development (R&D) considering market & technology related risks.

Potential or existing government regulations:

Government policy change in respect of rates of premium, underwriting commission, agent's commission, reinsurance commission, interest on deposits, etc. may affect income and profitability of the Company.

Company's perception: The government is not expected to change policies relating to insurance requirement for the interest of economy, because if insurance business is affected industrialization, trade and commerce of the country will also be affected. Moreover, considering the proposed Insurance rules and regulations the Company is raising its capital through issuing rights share to existing shareholders to strengthen its financial structure as well as earn more revenue by smooth operation of business.

Potential changes in global or national policies:

Any structural change in the international insurance business adversely affecting reinsurance operations may have negative impact on the profitability of the Company.

Company's perception: The history of insurance/re-insurance business for over two hundred years proves that any major structural change affecting our insurance business is unimaginable. Any such event would create a global destabilization that the major economies must not cause to happen.

History of non-operation, if any:

Is there any History of non-operation of Central Insurance Company Limited?

Central Insurance Company Limited is one of the second generation private Non-Life insurance companies in Bangladesh which was established in 1987 and already passed 24 successful years of business operation and the Company does not have any history of non-operation of business.

Operational risks:

Any Political and social unrest/unstable situation may affect smooth operation of the business resulting in drastic fall in the value of its investment.

Company's perception: Political unrest may reduce the premium income of the Company for a short span of time. However, the past experience of the Company proves that premium income was not affected under this situation, but if it is so, it can be overcome by increased income in subsequent period.

DATE OF OPENING AND CLOSING OF SUBSCRIPTION

Subscription opens for the rights shares offer on **April 25, 2012** and subscription closes for the rights shares offer on **May 23, 2012** (both days inclusive)

PURPOSE OF THE RIGHTS ISSUE

Central Insurance Company Limited is one of the first generation Non-Life insurance Company in the private sector of Bangladesh which provides diversified Non-Life insurance services. The Company's paid up capital, after crediting 15% bonus share as approved in the 23rd AGM on 20th June 2011 has reached to BDT 224.67 million.

As per Insurance Act 2010 the paid up capital of Non-Life insurance Company must be raised up to BDT 400.00 million by year 2012. Furthermore, to enhance financial strength and to expand their activities the Company would like to increase their paid-up capital to BDT 393.18 million as already approved in the 23rd AGM dated 20th June 2011.

Accordingly, Central Insurance Company Limited is going for rights issue of 11,233,580 ordinary shares of BDT 10.00 each at an issue price of BDT 15.00 each including a premium of BDT 5.00 per share totaling BDT 16,85,03,700.00. The additional paid up capital will be deposited with scheduled bank as guided by the Insurance Act and the share premium will be invested in construction & land development, invest in capital market to enhance net worth of the Company for the benefit of shareholders.

BANKERS TO THE ISSUE FOR RIGHTS SHARE

National Credit and Commerce Bank Ltd.

Motijheel Br., Dhaka
Dilkusha Br., Dhaka
Kawran Bazaar Br., Dhaka.
Mirpur Br., Dhaka.
Dhanmondi Br., Dhaka.
Mitford Br., Dhaka.
Nawabpur Road Br., Dhaka.
Kamal Bazar Br., Chittagong.
Malibagh Br., Dhaka.
Uttara Br., Dhaka.
Moghbazar Br., Dhaka.
Babubazar Br., Dhaka.
Bangshal Br., Dhaka.
Elephant Road Br., Dhaka
Pragoti Sarani Br., Dhaka.
Jatrabari Br.,Dhaka.
Gulshan Br., Dhaka.
Shyamoli Br., Dhaka.
Banani Br., Dhaka.
Bijoynagar Br., Dhaka.
Savar Br., Dhaka.
Islampur Br., Dhaka.
Joydevpur Br., Gazipur.
Madaripur Br., Madaripur.
Tangail Branch, Tangail.
O.R. Nizam Road Br.,Chittagong.
Jubilee Road Br., Chittagong.
Cox's Bazar Br., Cox's Bazar.
CEPZ Br., Chittagong.
Anderkilla Br., Chittagong.
Narayangonj Br., Narayangonj.
Agrabad Br., Chittagong.
Khatungonj Br., Chittagong.
Barisal Br., Barisal
Brahmanbaria SME/Agi Br., Brahmanbaria
Hajigonj Br., Chandpur
Chagalnaiya Br., Feni
Maijdee SME/Agi Br., Noakhali.
Halishahar Br., Chittagong.
Feni Br., Feni.
Laxmipur Br., Laxmipur
Chowmuhuni Br., Noakhali.
Comilla Br., Comilla
Laldighirpar Br., Sylhet.
Maymensingh Br., Maymensingh.
Kadamtali Br., Chittagong.
Majhirghat Br., Chittagong.
Chowhatta Br., Sylhet.
Rajshahi Br., Rajshahi.
Bogra Br., Bogra.
Naogaon Br., Naogaon.
Khulna Br., Khulna.
Jessore Br., Jessore.
Madunaghat Br.,Chittagong.
Moulvibazar Br., Moulvibazar.
Rangpur Br., Rangpur.

Prime Bank Limited

SBC Tower Br., Dhaka.
Kawran Bazar Br., Dhaka.
Gulshan Br., Dhaka.
Mohakhali Br., Dhaka.
Mouchak Br., Dhaka
Uttara Br., Dhaka.
Mirpur-1, Mirpiur.
Sat Mosjid Road Br., Dhaka.
Narayangoj Br., Narayangoj.
Ganak Bari Br., Dhaka
Agrabad Br., Chittagong
Sylhet Br., Sylhet
Rajshahi Br., Rajshahi
Khulna Br., Khulna.
Feni Br., Feni.
Comilla Br., Comilla
Rangpur Br., Rangpur.

JUSTIFICATION OF THE ISSUE PRICE OF RIGHTS SHARE

SL. No.	Particulars	Amount in Tk.
Method 1:	Net Asset Value (NAV) per share	**25.36**
Method 2:	Historical Earnings based value per share	**27.77**
Method 3:	Average Market Price Per Share	**63.59**

Method 1: Equity Based Value (NAV) per share

Sl. No.	Particulars	Amount in Taka
1.	Share Capital	224,671,600.00
2.	Share Premium	-
3.	Reserve or Contingency Accounts	345,194,578.00
4.	**Total Shareholders' Equity**	**569,866,178.00**
5.	No. of Shares of Taka 10.00 each	22,467,160
9.	**Net Assets Value per Share**	**25.36**

(Considering the change of denomination of share of The Company from BDT 100.00 to BDT 10.00 in compliance with SEC Directive in this regard dated September 15, 2011. Change of Denomination of share was approved in the 6th EGM of the co. dated November 10, 2011.)

Method 2: Calculation of weighted Average of Net Profit after tax

Year	No. of Share	Net Profit after tax	Weighted No. of Shares	Weighted Average of Net Profit after tax
2011	22,467,160	52,599,027.00	0.2676	14,078,480.60
2010	19,536,660	59,530,484.00	0.2327	13,855,417.88
2009	16,988,400	43,981,788.00	0.2023	8,901,337.25
2008	13,068,000	31,715,689.00	0.1557	4,937,568.94
2007	11,880,000	27,814,471.00	0.1415	3,936,562.41
	83,940,220			45,709,367.08
Total Number of Share (As Per Audited Accounts of December 31, 2011)				22,467,160
EPS based on Weighted Average of Net Profit after tax				**2.03**
Present Market P/E (As per DSE Review December 31, 2011)				**13.68**
Earning Based Value per Share (Weighted Average EPS × Market P/E)				**27.77**

*(Considering the change of denomination of share of The Company from BDT 100.00 to BDT 10.00 in compliance with SEC Directive in this regard dated September 15, 2011. Change of Denomination of share was approved in the 6th EGM of the co. dated November 10, 2011.)

Method 3: Average Market Price per Share

(Source DSE Monthly Review)

Particulars	Face Value	Market Price
Market Price per Share as on 31 December 2011	10.00	68.20
Market Price per Share as on 30 November 2011	10.00	40.30
Market Price per Share as on 31 October 2011	10.00	58.40
Market Price per Share as on 30 September 2011	10.00	53.20
Market Price per Share as on 31 August 2011	10.00	79.10
Market Price per Share as on 31 July 2011	10.00	82.37
***Average Market Price Per Share**	10.00	**63.59**

*(Considering the change of denomination of share of The Company from BDT 100.00 to BDT 10.00 in compliance with SEC Directive in this regard dated September 15, 2011. Change of Denomination of share was approved in the 6th EGM of the co. dated November 10, 2011.)

Summarized Financial Statements for the Last Five Years

Auditor's report in pursuance of section 135(1) under para 24(1) of Part – II of the Third Schedule of the Companies Act 1994 [as per Securities & Exchange Commission (Rights Issue) Rules, 2006, Rule-8(h)]

We have examined the accompanying financial statement of Central Insurance Company Limited for the year ended December 31, 2011, 2010 & 2007 and the financial statement for the year ended December 31, 2009 & 2008 have been audited by Rahman Mustafiz Haq & Co. Chartered Accountants in pursuance of Section 135(1) under para 24 of part-II of the third Schedule of the Companies Act, 1994.

Sd/-
G.KIBRIA &CO.
Chartered Accountants

Place: Dhaka
Date: March 08, 2012

CENTRAL INSURANCE COMPANY LIMITED

BALANCE SHEET

As at December 31,2007,2008,2009,2010 & 2011

CAPITAL & LIABILITIES	Taka 2011	Taka 2010	Taka 2009	Taka 2008	Taka 2007
SHARE CAPITAL					
AUTHORISED					
Ordinary shares of Tk.10 each	1,000,000,000	300,000,000	300,000,000	300,000,000	300,000,000
ISSUED, SUBSCRIBED AND PAID UP					
Ordinary shares of Tk.10 each	224,671,600	195,366,600	169,884,000	130,680,000	118,800,000
RESERVE OR CONTINGENCY ACCOUNT	345,194,578	327,856,938	299,903,621	78,216,118	63,368,429
Reserve for exceptional losses	110,831,623	95,106,072	83,018,306	71,909,305	61,151,043
General Reserve	20,500,000	20,000,000	10,000,000	6,000,000	2,000,000
Investment Equalization Fund	7,100,000	6,000,000	-		
Revaluation Reserve	206,599,638	206,599,638	206,599,638		
Profit & Loss Appropriation Account	163,317	151,228	285,677	306,813	217,386
BALANCE OF FUND & ACCOUNT	62,902,205	48,351,064	44,436,002	43,033,049	36,728,552
Fire Insurance Business Account	23,654,717	13,101,048	13,680,975	12,779,657	14,375,350
Marine Insurance Business Account	29,264,853	24,667,052	22,869,250	23,251,959	13,872,972
Motor Insurance Business Account	8,433,641	7,860,847	6,157,490	5,674,565	3,055,408
Misc. Insurance Business Account	1,548,994	2,722,117	1,728,287	1,326,868	5,424,822
DEPOSIT PREMIUM	7,404,658	1,875,683	1,743,858	1,484,990	1,054,970
LIABILITIES & PROVISIONS	136,650,135	130,641,992	112,908,480	99,348,913	88,757,384
Estimated liability in respect of outstanding- claims whether due or intimated	24,013,053	28,321,679	20,111,539	20,231,964	24,831,851
Amount due to other persons or bodies- carrying on insurance business	112,637,082	102,320,313	92,796,941	79,116,949	63,925,533
Provision for Dividend	33,700,740	29,304,990	25,482,600	13,068,000	11,880,000
SUNDRY CREDITORS (Including provision for expenses & taxes)	220,704,601	101,203,564	76,011,212	97,282,036	85,078,161
OTHERS LIABILITIES (Bank Overdraft)	31,196,873	137,914,877	25,976,345	22,276,521	34,752,132
Total Taka :	**1,062,425,390**	**972,515,708**	**756,346,118**	**485,389,627**	**440,419,628**
	-	-	-	-	-

PROPERTY & ASSETS	Taka 2011	Taka 2010	Taka 2009	Taka 2008	Taka 2007
INVESTMENT (At cost)	153,694,443	165,291,764	33,463,070	19,576,332	6,816,930
OUTSTANDING PREMIUM	-	-	-	-	-
INTEREST, DIVIDEND & RENT OUTSTANDING :					
Accrued Interest	18,341,882	13,642,657	11,209,775	10,999,189	9,777,987
AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS	129,076,170	95,833,449	86,225,791	76,661,305	74,351,677
SUNDRY DEBTORS	116,662,443	84,885,239	62,325,421	84,486,581	72,351,997
CASH AND BANK BALANCES	317,484,176	287,557,808	237,340,612	173,576,622	158,802,898
Fixed Deposit Accounts	288,101,010	267,573,630	222,177,234	163,904,284	151,767,524
Current and STD Accounts	25,085,064	16,503,950	11,061,837	6,568,911	4,164,745
Cash in Hand	4,298,102	3,480,228	4,101,541	3,103,427	2,870,629
OTHER ACCOUNTS	327,166,276	325,304,791	325,781,449	120,089,598	118,318,139
Land & Land Development Cost	311,180,000	311,130,000	311,130,000	104,530,362	104,530,362
Other Fixed Assets (At cost less Depreciation)	14,806,022	13,251,123	13,805,858	14,752,578	13,201,498
Stock of Stationery	405,099	456,056	432,188	499,754	278,315
Security Deposit	162,175	162,175	162,175	162,175	162,175
Insurance Stamps in hand	612,980	305,437	251,228	144,729	145,789
Total Taka :	**1,062,425,390**	**972,515,708**	**756,346,118**	**485,389,627**	**440,419,628**

Sd/-
G. Kibria & Co.
Chartered Accountants

CENTRAL INSURANCE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2007, 2008, 2009, 2010 & 2011

Particulars	Taka 2011	Taka 2010	Taka 2009	Taka 2008	Taka 2007	Particulars	Taka 2011	Taka 2010	Taka 2009	Taka 2008	Taka 2007
Expenses of Management						**INTEREST, DIVIDEND AND RENTS**					
(Not applicable to any Fund or Account)	6,485,212	4,930,563	5,815,546	5,558,201	10,461,559	(Not applicable to any Fund or Account)					
Advertisement & Publicity	140,410	299,506	520,645	299,460	261,488	Interest Received and Accrued	28,940,060	22,941,277	21,390,625	17,357,449	17,244,347
Directors Meeting Fee	472,000	404,000	304,175	342,125	357,465	House Rent Income	13,359,400	12,612,150	10,456,000	9,770,500	9,574,853
Audit Fees	97,000	130,000	110,000	80,000	100,000	Dividend Income	1,189,261	696,711	365,619	127,407	-
Legal Fees	10,000	52,000	109,100	172,970	243,200	Capital Gain on Sale of share	3,718,209	20,634,886	9,239,491	2,626,283	-
Donation and Subscription	1,167,231	484,727	415,000	447,000	464,500						
Depreciation	2,820,205	2,388,795	2,442,385	2,592,520	2,093,100	PROFIT/(LOSS) TRANSFERRED FROM	32,915,323	26,471,077	23,742,629	22,090,211	13,956,830
Other Expenses	1,778,366	1,171,535	1,914,241	1,624,126	6,941,806	Fire Revenue Account	(7,335,970)	(4,558,313)	(13,921,006)	(4,343,828)	(8,971,913)
						Marine Revenue Account	33,973,968	23,768,549	29,395,098	18,395,025	17,510,127
						Motor Revenue Account	3,432,198	4,045,670	7,200,930	4,283,822	2,480,928
						Miscellaneous Revenue Account	2,845,127	3,215,171	1,067,607	3,755,192	2,937,688
Profit/Loss transferred to											
Profit & Loss Appropriation A/c	73,637,041	78,425,538	59,378,818	46,413,649	30,314,471						
Total Taka :	**80,122,253**	**83,356,101**	**65,194,364**	**51,971,850**	**40,776,030**	**Total Taka :**	**80,122,253**	**83,356,101**	**65,194,364**	**51,971,850**	**40,776,030**

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ended December 31, 2007, 2008, 2009, 2010 & 2011

Particulars	Taka 2011	TAKA 2010	TAKA 2009	TAKA 2008	TAKA 2007	Particulars	Taka 2011	TAKA 2010	TAKA 2009	TAKA 2008	TAKA 2007
Reserve for Exceptional Losses	15,725,551	12,087,766	11,109,001	10,758,262	9,100,000	Balance brought forward from last year	151,228	285,677	306,813	217,386	242,915
Provision for Taxation	20,938,014	18,745,054	15,047,030	14,697,960	2,500,000						
Deferred Income Tax	100,000	150,000	350,000	-	-	Provision for Dividend Tax					
Provision for Taxation (Previous year)	1,560,647	2,272,177	3,411,323	3,800,000	4,860,000	Net Profit for the year					
Provision for General Reserve	500,000	10,000,000	4,000,000	4,000,000	2,000,000	(Transferred from Profit and Loss Account)	73,637,041	78,425,538	59,378,818	46,413,649	30,314,471
Provision for Investment Equalization Fund	1,100,000	6,000,000	-	-	-						
Provision For Proposed Dividend	33,700,740	29,304,990	25,482,600	13,068,000	11,880,000						
Balance transferred to Balance Sheet	163,317	151,228	285,677	306,813	217,386						
Total Taka :	**73,788,269**	**78,711,215**	**59,685,631**	**46,631,035**	**30,557,386**	**Total Taka :**	**73,788,269**	**78,711,215**	**59,685,631**	**46,631,035**	**30,557,386**

CENTRAL INSURANCE COMPANY LIMITED
CONSOLIDATED BUSINESS REVENUE ACCOUNT

For the year ended December 31, 2007, 2008, 2009, 2010 & 2011

Particulars	TAKA 2011	TAKA 2010	TAKA 2009	TAKA 2008	TAKA 2007	Particulars	TAKA 2011	TAKA 2010	TAKA 2009	TAKA 2008	TAKA 2007
CLAIMS UNDER POLICIES LESS RE-INSURANCE :	44,550,489	36,092,179	36,105,803	29,220,150	25,243,144	Balance of Account at the beginning of the year	48,351,064	44,436,001	43,033,049	36,728,552	38,206,867
Paid during the year	48,859,115	27,882,039	36,226,228	33,820,037	17,294,767						
Total estimated liability in respect of outstanding claim at the end of the year whether due or intimated	24,013,053	28,321,679	20,111,539	20,231,964	24,831,851	Premium Less Re- Insurance	157,255,513	120,877,662	111,090,006	107,582,620	91,821,379
	72,872,168	56,203,718	56,337,767	54,052,001	42,126,618	Commission on Re- Insurance ceded	17,746,398	13,936,746	13,675,202	10,879,732	13,513,519
Less: Outstanding at the beginning of the year	28,321,679	20,111,539	20,231,964	24,831,851	16,883,474						
Agency Commission	37,345,380	30,533,352	28,038,910	28,200,478	25,603,997						
Expenses of Management	45,639,578	37,802,737	35,474,913	32,647,016	42,009,242						
Balance of Account at the end of the year as shown in the Balance Sheet	62,902,205	48,351,064	44,436,002	43,033,049	36,728,552						
Profit/(Loss) transferred to Profit & Loss Account	32,915,323	26,471,077	23,742,629	22,090,211	13,956,830						
Total Tk.	**223,352,975**	**179,250,409**	**167,798,257**	**155,190,904**	**143,541,765**	**Total Tk.**	**223,352,975**	**179,250,409**	**167,798,257**	**155,190,904**	**143,541,765**

CENTRAL INSURANCE COMPANY LIMITED

STATEMENT OF CASH FLOW

For the year ended December 31, 2007, 2008, 2009, 2010 & 2011

		TAKA 2011	TAKA 2010	TAKA 2009	TAKA 2008	TAKA 2007
A.	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Collection from premium and other income	258,170,201	225,498,048	201,732,263	187,345,048	192,948,612
	Income Tax paid	(22,680,448)	(19,774,258)	(15,399,310)	(11,453,185)	(18,037,731)
	Payment for Management Exp. Re-Insurance & Claim	(151,174,883)	(121,804,596)	(132,555,379)	(143,138,512)	(153,539,431)
	Net cash flow from operating activities	**84,314,870**	**83,919,194**	**53,777,574**	**32,753,351**	**21,371,450**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of Fixed Assets (Addition)	(4,425,104)	(1,834,060)	(1,495,665)	(4,143,600)	(2,435,087)
	Adjustment of Fixed Assets	-	-	-	-	-
	Investment Enhancement	9,097,321	(131,828,694)	(14,386,738)	(12,759,402)	(1,816,930)
	Net cash flow from investing activities	**4,672,217**	**(133,662,754)**	**(15,882,403)**	**(16,903,002)**	**(4,252,017)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Share Capital (Right Share Issued)	-	-	26,136,000	-	-
	Overdraft	(58,595,072)	99,999,700	-	-	-
	Dividend Paid	(465,647)	(38,944)	(267,181)	(1,076,625)	(15,811,808)
	Net cash flow from Financing activities	**(59,060,719)**	**99,960,756**	**25,868,819**	**(1,076,625)**	**(15,811,808)**
D.	**Net inflows/(out flows) for the year (A+B+C)**	**29,926,368**	**50,217,196**	**63,763,990**	**14,773,724**	**1,307,625**
E.	Opening Cash and Bank balance	287,557,808	237,340,612	173,576,622	158,802,898	157,495,273
F.	**Closing Cash and Bank balances (D + E)**	**317,484,176**	**287,557,808**	**237,340,612**	**173,576,622**	**158,802,898**

AUDITORS' REPORT
TO THE SHAREHOLDERS OF CENTRAL INSURANCE COMPANY LIMITED

We have audited the accompanying Balance Sheet of the Central Insurance Company Limited as of December 31, 2011, the related Revenue Accounts as well as the profit & Loss Account, Profit & Loss Appropriation Account and Statement of Cash Flows for the period then ended. The preparations of these financial statements are the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

SCOPE:
We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:
In our opinion, financial statements read in conjunction with our remarks appended to the notes to the financial statements and subject to our above observations give a true and fair view of the financial position of the **Central Insurance Company Limited** as of December 31, 2011, the result of its operation and its Cash Flows for the period then and that they comply with the Companies Act, 1994, the Insurance Act 1938 (except section 44 of the insurance rules 1958 relating to collection of premiums), the Securities and Exchange Rules, 1987, the Bangladesh Accounting Standards (BSA) and other applicable laws and regulations.

We also report that:

I. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

II. In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;

III. The Company's Balance Sheet and Profit and Loss Account and its cash flows dealt with by the report are in agreement with books of accounts and returns;

IV. The expenditure incurred was for the purpose of the Company's business;

V. As per section 40-c(2) of the Insurance Act 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management where incurred and whether incurred directly or indirectly, in respect of insurance business of the Company transacted in Bangladesh during the period under report have been duly debited to the related Profit & Loss Accounts of the Company; and

VI. As per regulation 11 of part 1 of the third schedule of the Insurance Act, 1938 as amended, we certify that to the best of our information and as shown by its books, during the period under report have not paid any person any commission in any form outside Bangladesh in respect of its business re-insurance aboard.

Sd/-
G. KIBRIA & CO.
Chartered Accountants

Place: Dhaka
February 29, 2012

CENTRAL INSURANCE COMPANY LIMITED

BALANCE SHEET AS AT DECEMBER 31,2011

CAPITAL & LIABILITIES	NOTES	Taka 2011	Taka 2010	PROPERTY & ASSETS	NOTES	Taka 2011	Taka 2010
SHARE CAPITAL							
AUTHORISED				**INVESTMENT** (At cost)	11.00	153,694,443	165,291,764
10,00,00,000 Ordinary shares of Tk.10 each	2.00	1,000,000,000	300,000,000				
				OUTSTANDING PREMIUM		-	-
ISSUED, SUBSCRIBED AND PAID UP							
2,24,67,160 Ordinary shares of Tk.10 each		224,671,600	195,366,600	**INTEREST, DIVIDEND & RENT OUTSTANDING**	12.00	18,341,882	13,642,657
				Accrued Interest			
RESERVE OR CONTINGENCY ACCOUNT	3.00	345,194,578	327,856,938	**AMOUNT DUE FROM OTHER PERSONS OR**			
Reserve for exceptional losses		110,831,623	95,106,072	**BODIES CARRYING ON INSURANCE BUSINESS**	13.00	129,076,170	95,833,449
General Reserve		20,500,000	20,000,000				
Investment Equalization Fund		7,100,000	6,000,000				
Revaluation Reserve		206,599,638	206,599,638	**SUNDRY DEBTORS**	14.00	116,662,443	84,885,239
Profit & Loss Appropriation Account		163,317	151,228				
				CASH AND BANK BALANCES	15.00	317,484,176	287,557,808
BALANCE OF FUND & ACCOUNT	4.00	62,902,205	48,351,064	Fixed Deposit Accounts		288,101,010	267,573,630
Fire Insurance Business Account		23,654,717	13,101,048	Current and STD Accounts		25,085,064	16,503,950
Marine Insurance Business Account		29,264,853	24,667,052	Cash in Hand		4,298,102	3,480,228
Motor Insurance Business Account		8,433,641	7,860,847				
Misc. Insurance Business Account		1,548,994	2,722,117	**OTHER ACCOUNTS**		327,166,276	325,304,791
				Land & Land Development Cost	16.00	311,180,000	311,130,000
DEPOSIT PREMIUM	5.00	7,404,658	1,875,683	Other Fixed Assets (At cost less Depreciation)	17.00	14,806,022	13,251,123
				Stock of Stationery	18.00	405,099	456,056
LIABILITIES & PROVISIONS		136,650,135	130,641,992	Security Deposit	19.00	162,175	162,175
Estimated liability in respect of outstanding-claims whether due or intimated	6.00	24,013,053	28,321,679	Insurance Stamps in hand	20.00	612,980	305,437
Amount due to other persons or bodies-carrying on insurance business	7.00	112,637,082	102,320,313				
Provision for Stock Dividend (Bonus Share)	8.00	33,700,740	29,304,990				
SUNDRY CREDITORS (Including provision for expenses & taxes)	9.00	220,704,601	101,203,564				
OTHERS LIABILITIES (Bank Overdraft)	10.00	31,196,873	137,914,877				
Total Taka :		**1,062,425,390**	**972,515,708**	**Total Taka :**		**1,062,425,390**	**972,515,708**

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even date

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Md. Zahid Anwar Khan)	(Md. Tayabur Rahman)	(Mrs. Shahida Nazneen)	(Alhaj Md. Shafi)	G. KIBRIA & CO.
Managing Director	Director	Vice Chairman	Chairman	Chartered Accountants

CENTRAL INSURANCE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	Taka 2011	Taka 2010		Taka 2011	Taka 2010
Expenses of Management			**INTEREST, DIVIDEND AND RENTS**		
(Not Applicable to any particular Fund or Account)	6,485,212	4,930,563	(NOT APPLICABLE TO ANY PARTICULAR FUND OR ACCOUNT)		
Advertisement & Publicity	140,410	299,506	Interest Received and Accrued	28,940,060	22,941,277
Directors Meeting Fee	472,000	404,000	House Rent Income	13,359,400	12,612,150
Audit Fees	97,000	130,000	Dividend Income	1,189,261	696,711
Legal Fees	10,000	52,000	Capital Gain on Sale of share	3,718,209	20,634,886
Donation and Subscription	1,167,231	484,727			
Depreciation	2,820,205	2,388,795	PROFIT OR (LOSS) TRANSFERRED FROM	32,915,323	26,471,077
Other Expenses	1,778,366	1,171,535	Fire Revenue Account	(7,335,970)	(4,558,313)
			Marine Revenue Account	33,973,968	23,768,549
			Motor Revenue Account	3,432,198	4,045,670
			Miscellaneous Revenue Account	2,845,127	3,215,171
Profit/Loss for the year transferred to Profit & Loss Appropriation Account	73,637,041	78,425,538			
Total Taka :	**80,122,253**	**83,356,101**	**Total Taka :**	**80,122,253**	**83,356,101**

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	TAKA 2011	TAKA 2010		TAKA 2011	TAKA 2010
Reserve for Exceptional Losses	15,725,551	12,087,766	Balance brought forward from last year	151,228	285,677
Provision for Taxation	20,938,014	18,745,054			
Deferred Income Tax	100,000	150,000			
Provision for Taxation (Previous year)	1,560,647	2,272,177	Net Profit for the year		
Provision for General Reserve	500,000	10,000,000	(Transferred from Profit and Loss Account)	73,637,041	78,425,538
Provision for Investment Equalization Fund	1,100,000	6,000,000			
Provision For Proposed Dividend	33,700,740	29,304,990			
Balance transferred to Balance Sheet	163,317	151,228			
Total Taka :	**73,788,269**	**78,711,215**	**Total Taka :**	**73,788,269**	**78,711,215**

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even date

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Md. Zahid Anwar Khan)	(Md. Tayabur Rahman)	(Mrs. Shahida Nazneen)	(Alhaj Md. Shafi)	G. KIBRIA & CO.
Managing Director	Director	Vice Chairman	Chairman	Chartered Accoun

CENTRAL INSURANCE COMPANY LIMITED

CONSOLIDATED BUSINESS REVENUE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	TAKA 2011	TAKA 2010		TAKA 2011	TAKA 2010
CLAIMS UNDER POLICIES LESS RE-INSURANCE	44,550,489	36,092,179	Balance of Account at the Beginning of the year	48,351,064	44,436,001
Paid during the year	48,859,115	27,882,039			
Total estimated liability in respect of outstanding claim			Premium Less Re- Insurance	157,255,513	120,877,662
at the end of the year whether due or intimated	24,013,053	28,321,679			
	72,872,168	56,203,718	Commission on Re- Insurance ceded	17,746,398	13,936,746
Less: Outstanding at the beginning of the year	28,321,679	20,111,539			
Agency Commission	37,345,380	30,533,352			
Expenses of Management	45,639,578	37,802,737			
Balance of Account at the end of the year as shown					
in the Balance Sheet 40%	62,902,205	48,351,064			
Profit/(Loss) Transferred To Profit & Loss Account	32,915,323	26,471,077			
Total Tk.	**223,352,975**	**179,250,409**	**Total Tk.**	**223,352,975**	**179,250,409**

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even date

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Md. Zahid Anwar Khan)	(Md. Tayabur Rahman)	(Mrs. Shahida Nazneen)	(Alhaj Md. Shafi)	G. KIBRIA & CO.
Managing Director	Director	Vice Chairman	Chairman	Chartered Accountants.

CENTRAL INSURANCE COMPANY LIMITED

FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	TAKA 2011	TAKA 2010		TAKA 2011	TAKA 2010
CLAIMS UNDER POLICIES LESS RE- INSURANCE	27,072,272	16,270,204	Balance of Account at the beginning of the year	13,101,048	13,680,975
Paid during the year	31,069,260	11,318,592			
Total estimated liability in respect of outstanding claims-			Premium Less Re- Insurance	59,136,793	32,752,620
at the end of the year whether due or intimated	9,905,359	13,902,347			
	40,974,619	25,220,939	Commission on Re- Insurances ceded	11,347,326	8,937,178
Less: Outstanding at the end of the previous year	13,902,347	8,950,735			
Agency Commission	19,561,639	14,833,053			
Expenses of Management	20,632,509	15,724,781			
BALANCE OF ACCOUNT AT THE END OF THE YEAR					
Reserve for unexpired risks @ 40 % of		-			
premium income of the year	23,654,717	13,101,048			
Profit /(Loss) transferred to Profit & Loss Account	(7,335,970)	(4,558,313)			
Total Taka	**83,585,167**	**55,370,773**	**Total Taka**	**83,585,167**	**55,370,773**

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even date

Sd/-	Sd/-	Sd/-	**Sd/-**	**Sd/-**
(Md. Zahid Anwar Khan)	(Md. Tayabur Rahman)	(Mrs. Shahida Nazneen)	(Alhaj Md. Shafi)	G. KIBRIA & CO.
Managing Director	Director	Vice Chairman	Chairman	Chartered Accountants.

CENTRAL INSURANCE COMPANY LIMITED

MARINE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	TAKA 2011	TAKA 2010		TAKA 2011	TAKA 2010
CLAIMS UNDER POLICIES LESS RE- INSURANCE	8,439,455	13,888,781	Balance of Account at the beginning of the year	24,667,052	22,869,250
Paid during the year	9,421,873	11,310,573			
Total estimated liability in respect of outstanding claim-			Premium Less Re- Insurance	73,162,132	61,667,631
at the end of the year whether due or intimated	11,783,207	12,765,625			
	21,205,080	**24,076,198**	Commission on Re- Insurance ceded	4,003,037	3,631,291
Less: Outstanding at the end of the previous year	12,765,625	10,187,417			
Agency Commission	12,240,707	10,480,241			
Expenses of Management	17,913,238	15,363,549			
BALANCE OF ACCOUNT AT THE END OF THE YEAR					
Reserve for unexpired risks @ 40 % of Marine Cargo-					
and @ 100 % of Marine Hull premium income of the year	29,264,853	24,667,052			
Porfit/(Loss) transferred to Profit & Loss Account	33,973,968	23,768,549			
Total Taka	**101,832,221**	**88,168,172**	**Total Taka**	**101,832,221**	**88,168,172**

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even date

Sd/-	Sd/-	Sd/-	**Sd/-**	**Sd/-**
(Md. Zahid Anwar Khan)	(Md. Tayabur Rahman)	(Mrs. Shahida Nazneen)	(Alhaj Md. Shafi)	G. KIBRIA & CO.
Managing Director	Director	Vice Chairman	Chairman	Chartered Accountants.

CENTRAL INSURANCE COMPANY LIMITED

MOTOR INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	TAKA 2011	TAKA 2010		TAKA 2011	TAKA 2010
CLAIMS UNDER POLICIES LESS RE- INSURANCE	8,515,389	5,913,444	Balance of Account at the beginning of the year	7,860,847	6,157,489
Paid during the year	8,326,249	5,133,124			
Total estimated liability in respect of outstanding claim-			Premium Less Re- Insurance	21,084,102	19,652,118
at the end of the year whether due or intimated	1,758,130	1,568,990			
	10,084,379	6,702,114	Commission on Re- Insurance ceded	293,009	14,203
Less: Outstanding at the beginning of the year	1,568,990	788,670			
Agency Commission	4,275,363	3,874,980			
Expenses of Management	4,581,367	4,128,869			
BALANCE OF ACCOUNT AT THE END OF THE YEAR					
Reserve for unexpired risks @ 40 % of					
premium income of the year	8,433,641	7,860,847			
Profit/(Loss) transferred to Profit & Loss Account	3,432,198	4,045,670			
Total Taka	**29,237,958**	**25,823,810**	**Total Taka**	**29,237,958**	**25,823,810**

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even date

Sd/-	Sd/-	Sd/-	**Sd/-**	**Sd/-**
(Md. Zahid Anwar Khan)	(Md. Tayabur Rahman)	(Mrs. Shahida Nazneen)	(Alhaj Md. Shafi)	G. KIBRIA & CO.
Managing Director	Director	Vice Chairman	Chairman	Chartered Accountants.

CENTRAL INSURANCE COMPANY LIMITED

MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	TAKA 2011	TAKA 2010		TAKA 2011	TAKA 2010
CLAIMS UNDER POLICIES LESS RE- INSURANCE	523,373	19,750	Balance of Account at the beginning of the year	2,722,117	1,728,287
Paid during the year	41,733	119,750			
Total estimated liability in respect of outstanding claim-			Premium Less Re- Insurance	3,872,486	6,805,293
at the end of the year whether due or intimated	566,357	84,717			
	608,090	204,467	Commission on Re- Insurance ceded	2,103,026	1,354,074
Less: Outstanding at the beginning of the year	84,717	184,717			
Agency Commission	1,267,671	1,345,078			
Expenses of Management	2,512,464	2,585,538			
BALANCE OF ACCOUNT AT THE END OF THE YEAR					
Reserve for unexpired risks @ 40 % of Net premium	1,548,994	2,722,117			
Porfit/(Loss) transferred to Profit & Loss Account	2,845,127	3,215,171			
Total Taka:	**8,697,629**	**9,887,654**	**Total Taka:**	**8,697,629**	**9,887,654**

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even dat

Sd/-	Sd/-	Sd/-	**Sd/-**	Sd/-
(Md. Zahid Anwar Khan)	(Md. Tayabur Rahman)	(Mrs. Shahida Nazneen)	(Alhaj Md. Shafi)	G. KIBRIA & CO.
Managing Director	Director	Vice Chairman	Chairman	Chartered Accountar

CENTRAL INSURANCE COMPANY LIMITED

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST DECEMBER, 2011

		2011 Taka	2010 Taka
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Collection from premium and other income	258,170,201	225,498,048
	Income Tax paid	(22,680,448)	(19,774,258)
	Payment for Management Exp. Re-Insurance & Claim	(151,174,883)	(121,804,596)
	Net cash flow from operating activities	**84,314,870**	**83,919,194**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets (Addition)	(4,425,104)	(1,834,060)
	Adjustment of Fixed Assets	-	-
	Investment Enhancement	9,097,321	(131,828,694)
	Net cash flow from investing activities	**4,672,217**	**(133,662,754)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Share Capital (Right Share Issued)	-	-
	Overdraft	(58,595,072)	99,999,700
	Dividend Paid	(465,647)	(38,944)
	Net cash flow from Financing activities	**(59,060,719)**	**99,960,756**
D.	**Net inflows/(out flows) for the year (A+B+C)**	**29,926,368**	**50,217,196**
E.	Opening Cash and Bank balance	287,557,808	237,340,612
F.	**Closing Cash and Bank balances (D + E)**	**317,484,176**	**287,557,808**
	Net operating cash flow per share (NOCFPS)	3.75	42.95

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even date

Sd/-	Sd/-	Sd/-	Sd/-
(Md. Zahid Anwar Khan)	(Md. Tayabur Rahman)	(Mrs. Shahida Nazneen)	(Alhaj Md. Shafi)
Managing Director	Director	Vice Chairman	Chairman

Sd/-
G. KIBRIA & CO.
Chartered Accountants

CENTRAL INSURANCE COMPANY LIMITED

HEAD OFFICE

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2011

Particulars	Share Capital	Reserve for Exceptional Loss	General Reserve & Investment Equalization Fund	Revaluation Reserve	Proposed Dividend	Retained Earnings	Total
Opening Balance as on 01-01-2011	195,366,600	95,106,072	26,000,000	206,599,638		151,228	523,223,538
Net Profit (after tax)	-	-	-			51,038,380	51,038,380
Bonus Share	29,305,000	-	-				29,305,000
Reserve for Exceptional Lossess	-	15,725,551	-			(15,725,551)	-
General Reserve	-	-	500,000			(500,000)	-
Investment Equalization Fund			1,100,000			(1,100,000)	-
Proposed Dividend	-	-	-		33,700,740	(33,700,740)	-
Closing Balance as on 31-12-2011	**224,671,600**	**110,831,623**	**27,600,000**	**206,599,638**	**33,700,740**	**163,317**	**603,566,918**

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even date

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Md. Zahid Anwar Khan)	(Md. Tayabur Rahman)	(Mrs. Shahida Nazneen)	(Alhaj Md. Shafi)	G. KIBRIA & CO.
Managing Director	Director	Vice Chairman	Chairman	Chartered Acc

CENTRAL INSURANCE COMPANY LIMITED

FROM "AA"

CLASSIFIED SUMMARY OF ASSETS AS ON 31ST DECEMBER, 2011

(IN TAKA)

PARTICULARS	BOOK VALUE AS PER BALANCE	MARKET VALUE	REMARKS
National Investment Bond	4,500,000	4,500,000	Not quoted in market Realisable value
Investment in Share	49,194,743	33,981,262	do
Investment in CIC Investment Ltd.	99,999,700	99,999,700	do
In Fixed deposit with Bank	288,101,010	288,101,010	do
In STD A/C. with Banks	23,429,689	23,429,689	do
Cash in Hand	4,298,102	4,298,102	do
Accrued interest	18,341,882	18,341,882	do
At call on short notice	1,655,375	1,655,375	do
OTHER ASSETS:			
Amount due from other Persons or bodies carrying on insurance business	129,076,170	129,076,170	do
Sundry Debtors	116,662,443	116,662,443	do
Stock in Stationery	405,099	405,099	At cost
Security Deposit	162,175	162,175	do
Stamps in hand	612,980	612,980	do
Fixed Assets (at cost Less Depreciation)	325,986,022	325,986,022	Depreciated value (Except Land and Development Cost)
Total	**1,062,425,390**	**1,047,211,909**	

Certificate u/s 7 (a) of part of the first schedule to the Insurance Act, 1938.
Certified that the value of all assets have been reviewd, that the said costs have been set forth in the balance sheet at amounts not exceeding their realizable or market value.

Notes form the integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
(Md. Zahid Anwar Khan)	(Md. Tayabur Rahman)	(Mrs. Shahida Nazneen)	(Alhaj Md. Shafi)
Managing Director	Director	Vice Chairman	Chairman

Sd/-
G. KIBRIA & CO.
Chartered Accountants

Annexture-1

Share Investment Position as on 31-12-2011

Sl.#	Name of Itemes	No.of Share	Book Value	Market Value as on 29.12.11
1	ACI	5,000	2,484,900	1,033,000.00
2	BRAC Bank Ltd.	480	23,371	21,936.00
3	Central Depositery Bangladesh Ltd.	456,945	1,569,450	1,569,450.00
4	Eastland Insurance	13,700	1,566,240	1,256,290.00
5	Fareast Islami Life Insurance Ltd.	2,598	5,000	420,876.00
6	GMG Air Lines Ltd.	100,000	5,000,000	5,000,000.00
7	Grameen Mutual Fund (One)	15,000	1,170,401	741,000.00
8	Green Delta Mutual Fund	100,000	1,000,000	680,000.00
9	IBBL Mudaraba Perpetual Bond	500	460,652	502,875.00
10	ICB AMCL 1st Mututal Fund	40,000	2,862,673	1,736,000.00
11	ICB AMCL Islamic Mututal Fund	30,000	1,490,175	672,000.00
12	ICB Islamic Bank Ltd.	200	2,000	2,000.00
13	Khulna Power Co. Ltd.	79,698	9,981,817	5,005,034.40
14	Lafarge Surma Cement	100,000	3,706,325	2,660,000.00
15	M I Cement Factory Ltd.	3,156	260,921	348,738.00
16	MJL Bangladesh Ltd.	28,969	2,896,965	2,894,003.10
17	National Bank Ltd.	370	11,154	24,716.00
18	National Tubes	10,000	1,848,956	654,000.00
19	Orion Laboratories Ltd.	25,000	2,500,000	2,500,000.00
20	Pragati General Insurance Ltd.	50	5,088	3,940.00
21	RAK Ceramics (BD.) Ltd.	129	5,664	10,113.60
22	Singer BD Ltd.	12,250	5,268,018	3,520,650.00
23	Sumit Power Ltd.	10,000	1,058,517	744,000.00
24	Titas Gas	150	13,513	10,140.00
25	United Leasing Co. Ltd.	35,000	4,002,943	1,970,500.00
	Total :		**49,194,743.07**	**33,981,262.10**

Central Insurance Company Ltd.

Head Office, Dhaka

Schedule of Fixed Assets as on 31st December-2011

Sl #	Particulars	Cost As on 1/1/2011	Cost Addition During the year	Cost Total As on 12/31/2011	Rate of Dep	Depreciation As on 1/1/2011	Depreciation Charge During the year	Depreciation Total as on 12/31/2011	Written Down value as on 12/31/2011
1	Furniture & Fixture	7,300,770	185,456	7,486,226	10%	5,923,748	156,248	6,079,996	
2	Office Decoration	20,068,713	97,067	20,165,780	10%	16,214,727	395,105	16,609,832	
3	Office Equipment	9,659,064	221,981	9,881,045	15%	7,386,021	374,254	7,760,275	
4	Electrical Equipment	780,558	33,750	814,308	15%	541,468	40,926	582,394	
5	Motor Vehicle	20,668,844	3,629,700	24,298,544	20%	15,606,256	1,738,458	17,344,714	
6	Telephone Installation	2,521,853	39,450	2,561,303	20%	2,376,452	36,970	2,413,422	
7	Air Cooler	3,099,050	146,200	3,245,250	15%	2,858,457	58,019	2,916,476	
8	Sundry Assets	684,935	21,500	706,435	25%	625,535	20,225	645,760	
	Sub total	**64,783,787**	**4,375,104**	**69,158,891**		**51,532,664**	**2,820,205**	**54,352,869**	
10	**Land & Land Development :**								
a.	7-8 Motijheel	267,930,000	-	267,930,000					
b.	Kawranbazar	43,200,000	50,000	43,250,000					
	Sub total	**311,130,000**	**50,000**	**311,180,000**					
	Grand Total :	**375,913,787**	**4,425,104**	**380,338,891**		**51,532,664**	2,820,205	**54,352,869**	

21.00A Compliance of Section 40C of Insurance Act, 1938

The Section 40C deals with the limitation of Expenses of Management of General Insurance business and in the light of the Section 40C and Rule 40 the Insurance Rule, 1958 the comparative figure of Management Expenses is given below:

Class	Level of Premium	Rate	Allowable Expenses	Actual Expenses	Variance	Remarks
Income from Non Marine Business						
First	10,000,000	30%	3,000,000			
Next	10,000,000	25%	2,500,000			
Next	10,000,000	24%	2,400,000			
Next	10,000,000	24%	2,400,000			
Next	10,000,000	23%	2,300,000			
Next	10,000,000	22%	2,200,000			
Next	12,500,000	18%	2,250,000			
Balance	73,923,165	16%	11,827,706			
Sub-Total	**146,423,165**		**28,877,706**			
Income from Marine Business						
First	10,000,000	18%	1,800,000			
Next	10,000,000	15%	1,500,000			
Next	10,000,000	15%	1,500,000			
Next	10,000,000	13%	1,300,000			
Next	10,000,000	13%	1,300,000			
Next	10,000,000	13%	1,300,000			
Next	12,500,000	11%	1,375,000			
Balance	20,202,898	10%	2,020,290			
Sub-Total	**92,702,898**		**12,095,290**			
Total:	**239,126,063**		**40,972,996**	**49,304,585**	(8,331,589)	Adverse

No provision for income tax has been made for excess management expenses as per 4th Schedule of Income Tax Ordinance, 1984 because the company has applied for condonation of contravention of Section 40C of the Insurance Act, 1938.

CENTRAL INSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011.

1.0 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICES:

A. NOTES GENERAL

A.01 BUSINESS DESCRIPTION:

The Central Insurance Co. Ltd. was incorporated as a Public Limited Company on November 12, 1987 under the Companies Act, 1913 having registered office in Bangladesh. The Company went into public issue during 1994 and its shares are listed with both Dhaka and Chittagong Stock Exchanges of Bangladesh.

The principal place of business of the Company is at Uttara Bank Bhaban (13th Floor), 90-91, Motijheel C/A, Dhaka-1000, Bangladesh which is also the Registered Office of the Company.

The Company is engaged in GENERAL INSURANCE business within the meaning of Insurance Act, 1938 subsequent amended Insurance Act, 2010

The Company has form another subsidiary company viz; Central Insurance Investment Ltd. with a view to carry out business activity of Merchant Bank.

A.02 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The Financial Statements have been prepared on going concern basis under historical cost convention, cash flow statement has been prepared on Direct Method and accrual basis of accounting has been followed.

A.03 COMPLIANCE WITH LOCAL LAWS:

The financial statements have been prepared in compliance with requirement of the Companies Act,1994, Securities & Exchange Rules 1987, Insurance Act, 1938, amended Act of 2010 Insurance Rules 1956 and other relevant local laws. The cash flow from operating activities is computed under direct method.

All assets of the company shown in financial statement that are within the scope of BAS-36, are in physical existence and valued on more than their recoverable, amount following International Accounting Standards adopted by ICAB disclosures with regards to "Impairment of Assets" as per BAS-36 have not been considered necessary.

A.04 COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS:

The financial statements have been prepared as on December 31, 2011 in compliance with requirement of the International Accounting Standards (IAS) International Financial Reporting Standard (IFRS) approved by the International Accounting Standard Board (IASB) and as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh accounting Standards (BAS) and regulations applicable in Bangladesh.

A.05 REPORTING CURRENCY:

The financial statements are presented in Bangladesh currency (Taka) which have been rounded off to the nearest Taka where indicated otherwise.

A.06 ACCOUNTING PERIOD:

The Financial period of the Insurance Company covers one year from January 01, 2011 to December 31, 2011.

The Insurance Act.1938 and amended Act 2010 prescribed the format for presenting accounts, accordingly the Balance Sheet has been prepared in the format [Form-A]. Set out in Part-1 of the First Schedule the revenue accounts for each class of business in the format [Form-A] given in Part-II of the third Schedule, Profit & Loss Account and Profit & Loss Appropriation Account as per format [Form-B & C] prescribed in the second schedule other discloser requirements are fully followed.

A.07 GENERAL

i) Figures of previous periods have been rearranged wherever necessary to conform the current period's presentation.

ii) Figures have been rounded off to the nearest Taka.

i. Investment are stated at cost of acquisition.

ii. Income on Investment, Other than shares are accounted for on accrual concept basis.

iii. Dividend income on Investment in shares are accounted for the year of receipt of such dividend.

iv. Gain on sale of shares are accounted for, on actual realization basis.

B.02 FIXED ASSETS:

All assets of the Company shown in financial statement that are within the scope of BAS-36, are in physical existence and valued on more than their recoverable amount following International Accounting Standards adopted by ICAB, disclosures with regards to "Impairment of Assets" as per BAS 36 have not been considered necessary.

Fixed Assets stated at cost of acquisition less accumulated depreciation thereon as at Balance Sheet date. Depreciation charged on diminishing balance method. A comprehensive fixed Assets Register is to be introduced by the Company which at present are not maintaining.

2 (Two) Car No. 14-9185 and 14-9186 purchased through lease finance. Entire amount of lease installments have been paid off and the cars were not registered in the name of Company. So cars were not included as assets the Company.

Land and land development stated at revalued price during the year [Note 16.00] and no depreciation has been charged on the value of land and land development. Depreciation charged on all other fixed assets at a rate mentioned below:

a) Furniture and fixtures	10%
b) Office Equipment	15%
c) Office decoration	10%
d) Air Cooler	15%
e) Motor Vehicles	20%
f) Telephone Installation	20%
g) Sundry Assets	25%
h) Electrical Equipments	15%

B.03 SHARE OF PUBLIC SECTOR BUSINESS:

Company's share of public sector business is accounted for in the period for four quarters commencing from January 2010 to December 2010 for which the complete statement of accounts from Sadharan Bima Corporation (SBC) has been received and which was consistently followed by the Company.

B.04 PROVISION FOR TAX:

During the year under audited provision for income tax has been made @ 42.50% as per financial Act 2010 in addition provision also made to meet up the short fall of the previous year.

B.05 CLASSIFIED SUMMARY OF ASSETS:

The valuation of all assets as at December 31, 2011 as shown in the Balance Sheet and in the classified summary of Assets on Form "AA" annexed with the report with the report have been reviewed and the said assets have been set-forth in the Balance Sheet at amount not exceeding their realizable or market value in aggregate except cost of shares.

B.06 EMPLOYEE'S BENEFIT PLAN:

Company has not introduced gratuity fund for its permanent employees despite provision in service rule of the Company and Board resolution in this regard as well. But company provides @ 10% of basic salary of the employee to contributory provident fund which is wholly administrated by a Board of Trustees.

B.07 EARNING PER SHARE (EPS):

The company calculates Earning Per Share (EPS) in accordance with the International Accounting Standards - IAS-33

"Earning Per share" as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

B.08 RESERVE FOR EXCEPTIONAL LOSSES:

Provision for the said reserve has been made in the accounts to cover the liabilities for insurance claims and other unforeseen losses.

B.09 REVENUE RECOGNITION:

Revenues are generated from premium income received against the insurance policies and by adjusting the deposit premium received against Cover Note and from business of share trade in the stock market.

B.10 CASH & CASH EQUIVALENTS:

According to BAS-7 "Cash flow statement" Cash comprises cash in hand and demand deposit and cash equivalents are short term, high liquid investments that are readily convertible to know amount of cash and which are subject to an insignificant risk of changes in value, BAS-1 "Presentation of Financial Statement" also provides that cash equivalents are those which have no restriction in use considering the provision of BAS-7 and BAS-1, cash in hand and Bank balance have been considered as cash and Cash equivalents.

B.11 DEFERRED TAX LIABILITIES:

Provision for deferred tax liabilities has been calculated as per BAS-12.

2.00 **SHARE CAPITAL :**

Authorized shares capital Tk. 1,000,000,000

100,000,000 Ordinary Shares of Tk. 10 each.

Issued, Subscribed & Paid-up Capital : Tk.224,671,600

22,467,160 ordinary shares of Tk.10 each

The Category wise shareholding position as on 31 December, 2011 are noted below :

Category of Shareholders	No. of Shares	% of Holdings	Amount Tk.
1. Sponsors & Directors (Group -A)	11,341,390	50.48	113,413,900
2. ICB & Institutions (Group -B)	1,593,240	7.09	15,932,400
3. General Public (Group-B)	9,532,530	42.43	95,325,300
Total	**22,467,160**	**100.00**	**224,671,600**

Classification of Shareholders according to holding of shares :

i) Group -A

Class Interval	No. of Shares	No. of Shareholders	Total Holding%	% of Total Paid Up-Capital
Less than 5000 Shares	Nil	1	Nil	Nil
5001-10,000	Nil	Nil	Nil	Nil
10,001-50,000	Nil	Nil	Nil	Nil
50,001-100,000	163,200	2	1.44	0.73
100,001-200,000	838,210	6	7.39	3.73
200,001-500,000	4,786,780	14	42.21	21.3
500,001-1,000,000	5,553,200	9	48.96	24.72
Total of (A)	**11,341,390**	**32**	**100**	**50.48**

ii) Group -B

Class Interval	No. of Shares	No. of Shareholders	Total Holding%	% of Total Paid Up-Capital
1-5000	4,451,270	3,833	40.01	19.81
5001-10,000	440,850	64	3.96	1.96
10,001-50,000	894,260	47	8.04	3.98
50,001-100,000	743,660	10	6.68	3.31
100,001-200,000	1,124,780	8	10.11	5.01
200,001-500,000	1,743,030	7	15.67	7.76
500,001-1,000,000	1,727,920	3	15.53	7.69
Total of (B)	**11,125,770**	**3,972**	**100.00**	**49.52**

Grand Total (A +B)	**22,467,160**	**4,004**		**100.00**

This shares are listed with both DSE and CSE.

				2011		2010
3.00	**RESERVE OR CONTINGENCY ACCOUNT:**		**Tk.**	**345,194,578**	**Tk.**	**327,856,938**
	This has been made up as under:					
	A. Reserve for Exceptional Loss :					
	Balance as on January 01, 2011			327,705,710		299,617,944
	Add: Reserve made during the year			15,725,551		12,087,766
	Add: General Reserve for the year			500,000		10,000,000
	Add: Investment Equalization Fund			1,100,000		6,000,000
	Add: Revaluation Reserve for the year					
				345,031,261		**327,705,710**
	B. Profit & Loss Appropriation Account :					
	Undistributed Profit up to Balance Sheet Date			163,317		151,228
		Total Tk.		**345,194,578**		**327,856,938**
4.00	**BALANCE OF FUND & ACCOUNT:**		**Tk.**	**62,902,205**	**Tk.**	**48,351,064**
	This has been made up as under:					
		Fire Revenue Account		23,654,717		13,101,048
		Marine Revenue Account		29,264,853		24,667,052
		Motor Revenue Account		8,433,641		7,860,847
		Miscellaneous Revenue Account		1,548,994		2,722,117
			Total Taka:	**62,902,205**		**48,351,064**
5.00	**DEPOSIT PREMIUM :**		**Tk.**	**7,404,658**	**Tk.**	**1,875,683**
	The above balance represents the premium, stamp duty and VAT received against cover-notes for which policies have not yet been issued.					
6.00	**ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS AT THE END OF THE PERIOD WHETHER DUE OR INTIMATED :**		**Tk.**	**24,013,053**	**Tk.**	**28,321,679**
	The break up of the above is as under:					
		Fire Insurance		9,905,359		13,902,347
		Marine Insurance		11,783,207		12,765,625
		Motor Insurance		1,758,130		1,568,990
		Miscellaneous Insurance		566,357		84,717
		Total Taka:		**24,013,053**		**28,321,679**
7.00	**AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS :**		**Tk. 5**	**112,637,082**	**Tk.**	**102,320,313**
	The break up of the above is as follows:					
	Sadharan Bima Corporation			111,085,005		100,768,236
	Other Insurance Companies of Bangladesh			1,552,077		1,552,077
		Total Taka:		**112,637,082**		**102,320,313**

			2011		2010
8.00	**PROVISION FOR BONUS SHARE :**	**Tk.**	**33,700,740**	**Tk.**	**29,304,990**

The above balance represents provision for Bonus shares for the year 2011 @ 15% on its paid up capital subject to approval by the shareholders in the subsequent Annual General Meeting.

9.00	**SUNDRY CREDITORS :**	**Tk.**	**220,704,601**	**Tk.**	**101,203,564**
	This has been made up as under				
	Provision for Income Tax		108,470,513		85,971,852
	Bills Payable		6,999		6,999
	Advance Rent Receive		7,114,875		10,311,809
	Provision for Audit Fee		55,000		55,000
	Income Tax Deduction at source		1,115,532		896,912
	VAT deducted at source		106,157		94,758
	Dividend Payable		2,073,217		1,693,360
	Deferred Income Tax		600,000		500,000
	Provision for Bonus		1,917,308		1,672,874
	Loan from Central Insurance Investment Ltd.		99,245,000		-
	Total Taka:		**220,704,601**		**101,203,564**

10.00	**BANK OVERDRAFT :**	**Tk.**	**31,196,873**	**Tk.**	**137,914,877**

The above mentioned overdrawn facility was allowed by the bank as mentioned below against lien of Fixed Deposit of the Company.

	National Bank Ltd., Babu Bazar Branch	7,583,565	16,471,154
	NCCBL, Foreign Exchange Branch	12,083,015	59,207,479
	Bank Asia, MCB Dilkusha Branch	11,530,293	12,161,218
	Prime Bank Ltd., Motijheel Branch	-	50,075,026
	Total Taka:	**31,196,873**	**137,914,877**

11.00	**INVESTMENT:**	**Tk.**	**153,694,443**	**Tk.**	**165,291,764**
	This is made up as follows.				
	National Investment Bond (NIB)		4,500,000		4,500,000
	Investment in Share		49,194,743		60,792,064
	Investment in CIC Investment Ltd.		99,999,700		99,999,700
	Total Taka:		**153,694,443**		**165,291,764**

Value of share has been shown at cost price which was inflated by Tk. 15,213,481 as per market price as on 31.12.2011 and are shown in annexture-1. Moreover unquoted shares also shown at cost price. Considering the instability in stock market the company has made a provision around the year for Tk. 1,100,000 to compensate the future cost. Consequence of the said provision cumulative reserve arrives to Tk. 7,100,000.

		2011	2010
12.00	**INTEREST, DIVIDEND & RENT OUTSTANDING: Tk.**	**18,341,882**	**13,642,657**

The amount represents interest receivable on National Investment Bond (NIB) and Fixed Deposit Receipts (FDR) as on the date of Balance Sheet.

13.00	**AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS:**	**Tk.**	**129,076,170**	**Tk.**	**95,833,449**
	The break up of the above is as follows:				
	Sadharan Bima Corporation		125,562,446		92,319,724
	Other Insurance Companies of Bangladesh		3,513,724		3,513,725
	Total Taka:		**129,076,170**		**95,833,449**

14.00	**SUNDRY DEBTORS :**	**Tk.**	**116,662,443**	**Tk.**	**84,885,239**
	The break up of the above is as follows:				
	Advance Against Salary		44,816		34,550
	Advance Against Lease Deposit		115,785		-
	Advance Against Office Rent		1,599,181		2,358,981
	Advance Income Tax		101,738,378		79,553,899
	Advance & Security Deposit		2,500,000		-
	Deposit Clearing		5,904,643		-
	Advance Against Printing		334,672		500,000
	Advance Ag. Right Share		178,504		-
	Advance Income Tax Against House Rent		2,358,450		1,690,482
	Advance Against Survey Fee		-		50,000
	Advance Against CIC Investment		1,858,988		676,227
	Bills Receivable		29,026		21,100
		Total Taka:	**116,662,443**		**84,885,239**
	The above debts are considered good for realization / adjustment.				
15.00	**CASH AND BANK BALANCES:**	**Tk.**	**317,484,176**	**Tk.**	**287,557,808**
	The break up of the above is as follows :				
	A) At Bank				
	Short term Deposit		23,429,689		14,512,308
	Current Deposit		1,655,375		1,991,642
	Fixed Deposit		288,101,010		267,573,630
			313,186,074		**284,077,580**
	B) Cash in Hand		4,298,102		3,480,228
			317,484,176		**287,557,808**

			2011		2010
16.00	**LAND & LAND DEVELOPMENT COST :**	**Tk.**	**311,180,000**	**Tk.**	**311,130,000**

The above value represents the revalued price of Land and Land Development at the Balance Sheet date. They has employed an independent valued viz. A. Wahab & Co., Chartered Accounted during the year 2009 and the value arrived as under:

	2011	2010
Land at Kawran Bazar Area	43,250,000	43,200,000
Land and building at Motijheel	267,930,000	267,930,000
	311,180,000	**311,130,000**

			2011		2010
17.00	**OTHER FIXED ASSETS :**	**Tk.**	**14,806,022**	**Tk.**	**13,251,123**

The above balance represents written down value of the fixed assets as balance sheet date, Details of the fixed assets are shown in **Schedule A.**

18.00	**STOCK OF STATIONERY :**	**Tk.**	**405,099**	**Tk.**	**456,056**

The stock of stationery was valued at cost price.

19.00	**SECURITY DEPOSIT :**	**Tk.**	**162,175**	**Tk.**	**162,175**

This represents the security money deposited against Bangladesh Telephone & Telegraph Board (BTTB), Bangladesh Power Development Board (BPDB) and Dhaka Electric Supply Authority (DESA).

20.00	**INSURANCE STAMP IN HAND :**	**Tk.**	**612,980**	**Tk.**	**305,437**

This represents unused insurance stamp in hand at the end of the period and was valued at cost price.

21.00	**PREMIUM LESS RE-INSURANCE :**	**Tk.**	**157,255,513**	**Tk.**	**120,877,662**

This represents net premium from Direct Business and Government Business.

				2011	2010
Class of Business	**Gross Premium**	**Re-Insurance Accepted**	**Re-Insurance Ceded**	**Net Premium**	**Net Premium**
Fire	101,990,736	-	42,853,943	59,136,793	32,752,620
Marine	92,702,898	-	19,540,766	73,162,132	61,667,631
Motor	22,784,138	-	1,700,036	21,084,102	19,652,118
Misc.	21,648,291	-	17,775,805	3,872,486	6,805,293
Total Tk.	**239,126,063**	**-**	**81,870,550**	**157,255,513**	**120,877,662**

NOTES ON OTHERS

22.00 **EARNING PER SHARES-BASIS:**

Weighted average number of ordinary shares outstanding during the period.

In computing the basic EPS for the period ended as on December 31, 2011 the total number of shares including the bonus shares have been considered as the basis for weighted average number of shares outstanding during the period as on December 31, 2011.

The Computation of EPS is given below:

Date	No. of Shares	Period	Days	Weight	Weighted average
01.01.2011	19,536,660	01.01.11 to 31.12.11	365	365	317.39
26.06.2011	2,930,500	26.06.11 to 31.12.11	189	189	24.65
Total	**22,467,160**		**554**	**554**	**342.04**

Earning Attributable to ordinary shareholders

$$\text{EPS} = \frac{4{,}60{,}15{,}668 \times 365}{2{,}24{,}67{,}160 \times 342.04}$$

Weighted average earning per shares during the period = 2.19

23.0 **CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBT:**

There was no claim against Company, which is not acknowledged as debt other than normal course of business.

24.0 **CONTINGENT LIABILITIES:**

There was no contingent liability other than normal course of business.

25.0 **CREDIT FACILITIES**

There was no credit facility available to the Company under any contract and availed of as on December 31, 2011 other than trade available in the ordinary course of business.

26.0 **MISC. EXPENSES**

No single transaction under this head of accounts Miscellaneous exceeded Tk. 5,000.

27.0 **Capital Expenditure Commitment :**

There was no capital expenditure commitment as at 31st December 2011.

28.0 There were 350 numbers of employees and out of which 344 numbers of employees have drawn salary over Tk. 3,000/- per month and remaining 6 numbers of employees have drawn salary less than Tk. 3,000/- per month.

29.0 There was no bank guarantee issued by the Company on behalf of their directors.

30.0 Auditors were paid only statutory audit fee duly approved by the Shareholders in the last AGM.

31.0 There was no capital work in progress at the end of the Accounting year.

32.0 No Expenses were paid as Royalty and Salary to Technical Experts etc.

33.0 During the year the Company was not entered into any agreement with the third party

34.0 There was no event occurred after Balance Sheet date, which might affect financial position of the Company as on Balance Sheet date.

Sd/-
G. KIBRIA & CO.
Chartered Accountants

Place : Dhaka
February 29, 2012

LENGTH OF TIME ISSUER CARRIED ON BUSINESS [Rule-8(j)]

Central Insurance Company Limited is a public Limited Company incorporated under the Companies Act, 1994 as a public Company limited by shares on 12th November 1987 and engaged in Non-Life insurance business as per Insurance Act 1938. The Company already completed 24 (Twenty four) successful years from the date of commercial operation. Now Central Insurance Company Ltd. is one of the established Non-Life insurance companies of Bangladesh.

Implementation Schedule

The proceeds from rights issue will be used for expansion and balancing of business operation, for which specific implementation schedule has been designed by the Company.

Sl. #	Particulars	Amount in Tk.	Approximate date for making Fixed Deposit & Investment
01.	Fixed Deposit with various schedule Bank	11,23,35,800.00	After receiving of Rights issue fund
02.	Share Investment	5,61,67,893.00	After receiving of Rights issue fund
	Total	**16,85,03,693.00**	

NO. OF SHARES HELD BY THE SPONSORS/DIRECTORS [Rule-8(l)] (as on December 31, 2011)

SL. No.	Name of Directors	Position	Number of Shares Held	Percentage
1.	Alhaj Md. Abu Taher Chowdhury	Chairman	325,610	1.67%
2.	Mr. Abul Kalam	Director	814,020	4.17%
3.	Mr. Md. Tayabur Rahman	Director	488,410	2.50%
4.	Mrs. Sufia Kabir	Director	507,850	2.60%
5.	Alhaj Md. Shafi	Director	325,610	1.67%
6.	Alhaj Md. Abdul Maleque	Director	325,610	1.67%
7.	Alhaj Md. Shajahan	Director	325,610	1.67%
8.	Mr. Zoynal Abedin Chowdhury	Director	43,400	0.22%
9.	Mr. Md. Nurul Islam	Director	325,910	1.67%
10.	Mr. S. M. Shafiul Bari	Director	203,720	1.04%
11.	Mrs. Shahida Naznin	Director	179,600	0.92%
12.	Mr. Nabab Siraj-Ud-Dowla	Director	325,610	1.67%
13.	Mrs. Shajadi Umme Habiba Khanam	Director	607,170	3.11%
14.	Mrs. Sarita Rahman	Director	1,840	.009%
15.	Mrs. Tayeeba Alam	Director	315,430	1.67%
16.	Mrs. Shamim Ara Begum	Director	178,720	0.91%
17.	Mrs. Nasrin Sultana	Director	10,5390	0.54%
18.	Mr. Md. Nurul Islam	Independent Director	None	0%
		Total	5,14,5580	

BENEFICIAL OWNERS HOLDING SHARES 5% OR MORE:

None of the director and shareholders holds 5% or more shares in Central Insurance Company Limited.

PUBLIC LISTED COMPANY UNDER COMMON MANAGEMENT

As per [Rule-8(n)] of the Securities and Exchange Commission (Rights Issue) Rules-2006 a statement of public listed Company under the common management of the Company is enumerated below:

SL No.	Name of Directors	Position in Central Insurance Co. Ltd	Chairman/Director in other listed Company
1	Alhaj Md. Abu Taher Chowdhury	Chairman	Not applicable
2	Mr. Abul Kalam	Director	Not applicable
3	Mr. Md. Tayabur Rahman	Director	Not applicable
4	Mrs. Sufia Kabir	Director	Not applicable
5	Alhaj Md. Shafi	Director	Not applicable
6	Alhaj Md. Abdul Maleque	Director	Not applicable
7	Alhaj Md. Shajahan	Director	Not applicable
8	Mr. Zoynal Abedin Chowdhury	Director	Not applicable
9	Mr. Md. Nurul Islam	Director	Not applicable
10	Mr. S. M. Shafiul Bari	Director	Not applicable
11	Mrs. Shahida Naznin	Director	Not applicable
12	Mr. Nabab Siraj-Ud-Dowla	Director	Not applicable
13	Mrs. Shajadi Umme Habiba Khanam	Director	Not applicable
14	Mrs. Sarita Rahman	Director	Not applicable
15	Mrs. Tayeeba Alam	Director	Not applicable
16	Mrs. Shamim Ara Begum	Director	Not applicable
17	Mrs. Nasrin Sultana	Director	Not applicable
18	Mr. Md. Nurul Islam	Independent Director	Not applicable

NAME AND ADDRESS OF UNDERWRITERS ALONG WITH THEIR UNDERWRITING OBLIGATION

CENTRAL INSURANCE COMPANY LIMITED is going to offer rights share of 11,233,580 Ordinary Shares of BDT 10.00 each (Considering the change of denomination of share of The Company from BDT 100.00 to BDT 10.00 in compliance with SEC Directive in this regard dated September 15, 2011. Change of Denomination of share was approved in the 6th EGM of the co. dated November 10, 2011) issued at BDT 15.00 per share (including premium of BDT 5.00 per share) totaling BDT 16,85,03,700. As per Securities and Exchange Commission's guideline the issuer of a listed security making rights issue shall appoint one or more Underwriters licensed under wmwKDwiwUR I G·‡PÄ Kwgkb (gv‡P›U e¨vsKvi I †cvU‡dwjI g¨v‡bRvi) wewagvjv, 1996 to fully underwrite the rights issue on a firm commitment basis. Underwriting commission will be @ 0.50% on the underwritten amount and there will no additional commission for taking-up unsubscribed portion of shares, if any.

SL. No.	Name of Underwriter	Address	Number of Shares	Underwriting Amount Tk.
01.	BMSL Investment Limited	Sadharan Bima Tower (7th Floor) 37/A, Dilkusha C.A., Dhaka-1000.	11,233,580	16,85,03,700.00
		Total=	11,233,580	16,85,03,700.00

UNDERWRITER'S OBLIGATION

If and to the extent that the shares offered to the existing shareholders by the Rights Share Offer Document authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within **10 (ten)** days of the closure of subscription call upon the underwriters (**for full unsubscribed amount**) in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for shares not subscribed by the closing date and to pay for in cash in full, inclusive of premium for such unsubscribed shares within **15 (fifteen)** days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his commitment under this Agreement, until such time as the Cheque/Bank Draft has been enchased and the Company's account has been credited. In any case, within **7 (seven)** days after the expiry of the aforesaid **15 (fifteen) days,** the Company shall send proof of subscription and payment by the underwriters, to the Commission.

Name and address of the Issuer Manager, Auditor, Legal Adviser and Banker to the Issue

Issue Manager	**BMSL Investment Limited** Sadharan Bima Tower (7th Floor), 37/A Dilkusha C.A., Dhaka-1000
Legal Advisor	A. S. M. M Kabir Khan Advocate, Supreme Court of Bangladesh
Auditor	G. Kibria & Co. Chartered Accountants 24-25, Dilkusha Commercial Area Dhaka-1000
Bankers to the Issue	National Credit and Commerce Bank Ltd. 7-8, Motijheel Commercial Area, Dhaka-1000
	Prime Bank Limited Adamjee Court Annex Building-2 119-120, Motijheel, Dhaka-100

DECLARATION REGARDING DIRECTORS' TAKE-UP OF RIGHTS OFFER

[Rule-8(q)]

Directors are expected to exercise in full their portion of Rights Offer.

Sl. No.	Name of Directors	Number of Shares Held	Renounce from entitlement
1.	Alhaj Md. Abu Taher Chowdhury	325,610	Nil
2.	Mr. Abul Kalam	814,020	Nil
3.	Mr. Md. Tayabur Rahman	488,410	Nil
4.	Mrs. Sufia Kabir	507,850	Nil
5.	Alhaj Md. Shafi	325,610	Nil
6.	Alhaj Md. Abdul Maleque	325,610	Nil
7.	Alhaj Md. Shajahan	325,610	Nil
8.	Mr. Zoynal Abedin Chowdhury	43,400	Nil
9.	Mr. Md. Nurul Islam	325,910	Nil
10.	Mr. S. M. Shafiul Bari	203,720	Nil
11.	Mrs. Shahida Naznin	179,600	Nil
12.	Mr. Nabab Siraj-Ud-Dowla	325,610	Nil
13.	Mrs. Shajadi Umme Habiba Khanam	607,170	Nil
14.	Mrs. Sarita Rahman	1,840	Nil
15.	Mrs. Tayeeba Alam	315,430	Nil
16.	Mrs. Shamim Ara Begum	178,720	Nil
17.	Mrs. Nasrin Sultana	105,390	Nil
18.	Mr. Md. Nurul Islam	None	Nil

*(Considering the denomination of share of The Company was changed from BDT 100.00 to BDT 10.00 in compliance with SEC Directive in this regard dated September 15, 2011. Change of Denomination of share was approved in the 6th EGM of the co. dated November 10, 2011.)

PARTICULARS OF MATERIAL CONTRACTS:

Agreement with Bankers to the Issue

National Credit and Commerce Bank Ltd. and Prime Bank Ltd. are the Bankers to the Issue, who will collect the subscription money of the Rights Offer. Commission @ 0.10% of the amount collected will be paid to the Bankers to the issue for services to be rendered by them. The Rights Issue subscription money collected from the shareholders by the Bankers to the Issue will be remitted to the Company's **STD Account No. 41.126** with **Uttara Bank Ltd. Corporate branch**. Copy of Agreements with Bankers to the Issue is enclosed.

Agreement with Underwriters

SL. No.	Name of Underwriter	Address	Number of Shares	Underwriting Amount
01.	BMSL Investment Limited	Sadharan Bima Tower (7th Floor) 37/A Dilkusha C.A., Dhaka-1000.	11,233,580	16,85,03,700.00
		Total=	**11,233,580**	**16,85,03,700.00**

There is one Underwriter who has underwritten the full amount of Rights Offer of CICL as shown in the classified information part of ROD. The Underwriter will be paid underwriting commission @ 0.50 % of the underwritten amount. Simultaneously, with the calling upon the underwriter will subscribe or procure the unsubscribed portion of shares and pay for any number of shares. The Company will pay no additional commission to the underwriter on the nominal value of shares required to be subscribed by them. Copy of Agreement with Underwriter is enclosed.

Manager to the Issue

BMSL Investment Limited has been appointed as Manager to the Issue for the Right Issue of the Company. Accordingly, an agreement has been made between the Issue Manager and the Company. The Company will pay an issue management fee @ of 0.50% to the Issue Manager. Copy of Agreement with Issue Manager is enclosed.

Vendors' Agreement

There is no vendors' agreement with any party.

Acquisition of property, plant and equipment of the Company

Central Insurance Company Limited has not done any acquisition of property, plan and equipment in last financial year.

Name, Address, Description, Occupations of Directors, Managing Director, Managers, Company Secretary

SL.No	Name	Description			Occupation	Address
		Status in the Company	Age	Educational Qualification		
01.	Alhaj Md. Abu Taher Chowdhury	Chairman	65	B. Com	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
02.	Mr. Abul Kalam	Director	62	Kamil, Dhaka Alia Madrasha	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
03.	Mr. Md. Tayabur Rahman	Director	54	B. Com (Hon.) M. Com	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
04.	Mrs. Sufia Kabir	Director	65	B.A.	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
05.	Alhaj Md. Shafi	Director	56	H.S.C	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
06.	Alhaj Md. Abdul Maleque	Director	54	B. Sc.	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
07	Alhaj Md. Shajahan	Director	48	B.Sc.	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
08	Mr. Zoynal Abedin Chowdhury	Director	40	M.B.A.(USA)	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
09	Mr. Nurul Islam	Director	60	H.S.C	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
10	Mr. S. M. Shafiul Bari	Director	40	M.Com	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
11	Mrs. Shahida Naznin	Director	55	B. Sc (Hon), M. Sc.	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000

SL.No	Name	Description			Occupation	Address
		Status in the Company	Age	Educational Qualification		
12	Mr. Nabab Siraj-Ud-Dowla	Director	40	B. Sc. (Engr.)	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
13	Mrs. Shajadi Umme Habiba Khanam	Director	42	H.S.C	House Wife	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
14	Mrs. Sarita Rahman	Director	30	B.B.A M.B.A	House Wife	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
15	Mrs. Tayeeba Alam	Director	36	M.S.S	House Wife	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
16	Mrs. Shamim Ara Begum	Director	45	S.S.C	House Wife	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
17	Mrs. Nasrin Sultana	Director	29	S.S.C	House Wife	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
18	Mr. Md Nurul Islam	Independent Director	65	B. Sc.(Hon.) M. Sc.	Teaching	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000

Name, Address, Description, Occupation of Managing Director, Managers, Company Secretary

SL. No	Name	Description			Occupation	Address
		Status in the Company	Age	Educational Qualification		
01.	Md. Zahid Anwar Khan	Managing Director	54	B.Com (Hon's) M.Com	Private Service	Uttara Bank Bhaban (13th floor), 90-91 Motijheel C.A., Dhaka-1000
02.	Mr. Azizul Haque Chowdhury	Chief Advisor	65	S.S.C	Business	Uttara Bank Bhaban (13th floor), 90-91 Motijheel C.A., Dhaka-1000
03.	Alhaj Md. Nurunnewaz	Advisor	57	B.A	Business	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
04.	Md. Zafrul Islam Bhuiyan	Deputy Managing Director & Chief Financial Officer(CFO)	53	B.Com (Hon's) M. Com	Private Service	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
05.	Md. Jafar Ali	Company Secretary (Current Charge) & Vice President (Board, Share & Provident Fund)	46	B. Com (Hon's) M.Com ACS	Private Service	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
06.	S.M. Jahir-ul Alam (Claims & Re-Insurance Department)	Senior Vice President	48	B.A (H) M.A	Private Service	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000
	Md. Morshed Hasan (Branch Control & U/W Department)		47	B.A. M. A LLB	Private Service	-Do-
07.	Md. Mahfizur Rahman (Branch Control & Claims Department)	Vice President	51	B. Com (H) M.Com	Private Service	Uttara Bank Bhaban (13th floor), 90-91, Motijheel C.A., Dhaka-1000

TERMS AND CONDITIONS OF RIGHTS SHARE

BASIS OF THE OFFER

The shareholders of CICL whose name appear in the Share Register of the Company on the record date on April 10, 2012 will be eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the book closure in the ratio of 1R:2 i.e. one rights share for 2 (two) existing shares held.

ENTITLEMENT

The shareholders of the Company whose name will appear with share register on the record date on April 10, 2012 are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

ACCEPTANCE OF THE OFFER

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing date of the Offer.

RENUNCIATION

A shareholder may renounce all or part of the shares he/she is entitled to in favor of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

GENERAL

All applications should be made on the printed form provided by the Company in this Rights Share Offer Document only and should be completed in all respects. Applications, which are not completed in all respect or are made otherwise than that herein provided or are not accompanied by the proper application amount of deposit, are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

CONDITION OF SUBSCRIPTION

One Rights share of BDT 15.00 each including a premium of BDT 5 per share is offered against 2 (two) existing shares held by existing Shareholder(s) whose name(s) appeared in the Company's Share Register on the record date as on April 10, 2012

PAYMENT OF SHARE PRICE

Payments for the full value of Shares applied for shall be made with designated branches of Bankers to the issue by Cash/Pay Order/Demand Draft/ Cheque to **"Central Insurance Company Limited"** and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a bank in the same town to which the application form has been submitted.

SUBSCRIPTION
Opens on: April 25, 2012
Closes on: May 23, 2012
(Within banking hours, both days inclusive)

Any change or extension regarding subscription period will be notified through national dailies.

LOCK-IN ON RIGHTS SHARE OF DIRECTORS AND OTHER SHAREHOLDERS HOLDING 5% OR MORE SHARES

The rights share of directors, sponsors and their relatives shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights share by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period.

OTHERS

The application not properly filled- in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed **Application Form-A** with necessary payments have not been received by **May 23, 2012** or by such later date as may be notified through national dailies to that effect.

DISTRIBUTION OF RIGHTS SHARE

Rights share will be delivered to the shareholder's Beneficiary Owner accounts within 21 (twenty one) days from the closing of subscription date. An applicant must apply for allotment of rights shares mentioning his/her BO Account number in the application form.

CREDIT RATING REPORT SUMMARY

The credit rating of central insurance co. ltd. was conducted by Credit Rating Agency of Bangladesh (CRAB), under the credit rating company's rules 1996. The summery of the credit rating report is given below:

	Long Term	Short Term
Entity Rating	A_3	ST-3
Date of Rating	30/06/11	

Detailed Credit rating report is attached.

FORM A

[Rule 5 and rule 8(t)]

Declaration (due diligence certificate) about responsibility of the Issue Manager in respect of the rights share offer document of Central Insurance Company Limited

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

For
BMSL Investment Limited

Place: Dhaka
Dated: June 29, 2011

Sd/-
(Md. Golam Sarwar Bhuiyan)
Managing Director

FORM-B

[Rule 6 and rule 8(t)]

Declaration (due diligence certificate) about responsibility of the Underwriter(s) in respect of the rights share offer document of Central Insurance Company Limited

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

Place: Dhaka

Date: June 29, 2011

For
BMSL Investment Limited

Sd/-

(Md. Golam Sarwar Bhuiyan)

Managing Director

FORM-C
[sec rule 8(h), 8(i) and 8 (t)]
Auditors' report to the shareholders

We have audited the accompanying financial statements for the period from January 01, 2011 to December 31, 2011 of **Central Insurance Company Limited** in accordance with the International Standards of Auditing, as applicable in Bangladesh, and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

(a) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable, and the International Accounting Standards, as applicable in Bangladesh.

(b) These financial statements which are in agreement with the books of account of the issuer Company give a true and fair view of the state of its affairs as at December 31, 2011 and of the result of its operations and cash flows for the period then ended.

(c) Proper books of account have been kept by the issuer Company as required by the relevant laws.

(d) The expenditure incurred was for the purposes of the issuer Company's business.

We also certify that the above issuer Company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006, and that the Company has duly paid off the following amounts of the declared dividend mentioned against respective year-

Financial Year	Date of Dividend Declaration	Declared Dividend		
		Rate (%)	Total Amount(TK.)	Total Cash Dividend Paid (Tk.)
2011	02.05.2012	15% Stock	33,702,000.00	0.00
2010	20.06.2011	15% Stock	29,304,990.00	0.00
2009	22.06.2010	15% Stock	25,482,600.00	0.00
2008	09.08.2009	10% Stock	13,068,000.00	0.00
2007	29.06.2008	10% Stock	11,880,000.00	0.00

Sd/-
G.KIBRIA & CO.
Chartered Accountant

Place: Dhaka
Date: March 08, 2012

FORM-D

[Rule 8(t)]

Due diligence certificate by the Directors about their personal Responsibility in respect of the rights share offer document

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement, which might have any bearing on the information already made.

In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/- Alhaj Md. Abu Taher Chowdhury Chairman	Sd/- Abul Kalam Director	Sd/- Md. Tayabur Rahman Director	Sd/- Sufia Kabir Director
Sd/- Zoynal Abedin Chowdhury Dirictor	Sd/- Alhaj Md. Shafi Directro	Sd/- Alhaj Md. Abdul Maleque Director	Sd/- Alhaj Md. Shajahan Director
Sd/- Md. Nurul Islam Director	Sd/- S. M. Shafiul Bari Director	Sd/- Shahida Naznin Director	Sd/- Nabab Siraj-Ud-Dowla Director
Sd/- Shajadi Umme Habiba Khanam Director	Sd/- Sarita Rahman Director	Sd/- Tayeeb Alam Director	Sd/- Shamim Ara Begum Director
Sd/- Nasrin Sultana Director	Sd/- Md. Nurul Islam Independent Director		

Central Insurance Company Limited

Uttara Bank Bhaban (13th Floor), 90-91, Motijheel C/A, Dhaka-1000

Folio/BO Account No: Date: …./……./2012

Name:

Address:

LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder(s)

We are pleased to inform you that the Board of Directors of CICL at its 171st Board meeting held on 8th April, recommended to issue Rights Shares in the ratio of 1R:2 i.e., 1 rights shares for 2 (two) existing shares held which was approved by the Shareholders in the 23rd Annual General Meeting held on June 20, 2011. As a registered Shareholder of ordinary shares as on April 10, 2012 you are entitled to exercise your rights for ordinary share of BDT 10.00 each at an issue price of BDT 15/- each including a premium of BDT 5 per share.

If you wish to accept the above Rights Share in full or in part, you are required to submit completed Application Form-A annexed hereto with necessary payments.

You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation Form-B and Form-C annexed here to be submitted duly filled in by you and the renounce(s) along with necessary payments.

The rights cannot be exercised for fraction of a share i.e. below full unit of share.

All the payments for accepted shares are to be made in cash or by PO/DD/Crossed Cheque @ BDT 15/- each including a premium of BDT 5 per share and to be deposited with any of the branches of Bankers to the Issue as mentioned in the **Form** of Acceptance and Application for shares during Banking hours from **April 25, 2012 to May 23, 2012** (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O/DD/ Crossed Cheque payable to **"Central Insurance Company Limited"** and must be drawn on a Bank in the same town where the Branch of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transaction above BDT 1 (One) lac must be affected through demand draft/ crossed cheque/pay orders.

The offer will be deemed to have been declined if completed Application Form-A and/or Renunciation Form-B and Form-C with necessary payments have not been received by **May 23, 2012** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

By order of the Board

Sd/-

Md. Zahid Anwar Khan

Managing Director

Application Form-A

Central Insurance Company Limited

Uttara Bank Bhaban (13th Floor), 90-91 Motijheel C/A, Dhaka-1000

Rights Issue of 11,233,580 Ordinary Shares of BDT 10.00 each at an issue price of BDT 15/- each including a premium of BDT 5 per share offered to the Shareholders whose name appeared in the share register at the close of business on April 10, 2012.

Last Date of Acceptance and Application: May 23, 2012

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director
Central Insurance Company Ltd.
Uttara Bank Bhaban (13th Floor)
90-91, Motijheel C/A
Dhaka-1000

Dated: ……./……/2012

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @ BDT 15/- each including premium of BDT 5/- per share In cash or by Draft/Pay order/Cheque no……………………………….. dated…..……………..… drawn on.……………..……………….. Bank ……………………..……… Branch.

Folio/BO Account No.	No. of Shares held at the close of business on …	No. of Shares Offered	No. of Shares Accepted	Total Amount Paid

Yours faithfully,

1. Name (in block)…………………………………..………….......................... Signature ………………..……….………………

Address:……………………..………………………………………………………………..

2. Name (in block)……………………..………… ....Signature ………………..……………………....

Address:……………….……………………………………………………………………………...

BO No.

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights share mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received BDT.…………………………….. (Taka…………………………………………………………………)

only from Mr./Ms.……….………………………..……………………………...Folio/BO Account No.……………………….…………………. for……………no.s of Rights Share of Central Insurance Company Limited in Cash / Draft / Pay Order / Cheque No……………………… dated ………….……… of ……………………… Bank ……………..…………Branch.

Application Sl. No. (Bank's Seal)

Signature of Receiving Office

Ó‡kqvi evRv‡i wewb‡qvM SzuwKcY,
‡R‡b I ey‡S wewb‡qvM Ki“b|Ó- GmBwm

Renunciation Form-B

Central Insurance Company Limited

Uttara Bank Bhaban (13th Floor), 90-91 Motijheel C/A, Dhaka-1000

Rights Issue of 11,233,580 ordinary Shares of BDT 10.00 each at an issue price of BDT 15/-each including a premium of BDT 5/-per share offered to the Shareholders whose name appeared in the share register at the close of business on April 10, 2012

Last Date of Acceptance and Application: May 23, 2012

FORM OF RENUNCIATION

Dated: ……./……/2012

The Managing Director
Central Insurance Company Ltd.
Uttara Bank Bhaban (13th Floor)
90-91, Motijheel C/A
Dhaka-1000

Dear Sir,

I/We hereby renounce my/our rights to the shares offered to me/us as noted below in favor of person(s) accepting the same and signing in Application by Renouncee(s) and apply for allotment in his/her/their name(s).

Folio/BO Account No.	No. of shares held at the close of business on ……………..	No. of Shares offered	No. of Shares renounced

Yours faithfully,

1. Name (in block) ………………………………………….................... Signature………………………………………

   Address:...……………………………………………………………

2. Name (in block)…………………..…..Signature……………………………… ………………..

   Address:………………..……………………………………………..…………………

<u>Name(s) of Renounce(s)</u> **<u>BO A/C No</u>**

1. Name…………………………………………… | | | | | | | | | | | | | | | | |

2. Name…………………………………………… | | | | | | | | | | | | | | | | |

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

As per provision of the Depository Act, 1999 and regulations made there-under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier

Ó‡kqvi evRv‡i wewb‡qvM SwKcY,
‡R‡b I e‡S wewb‡qvM Ki“b|Ó- GmBwm

Renunciation Form-C

Central Insurance Company Limited

Uttara Bank Bhaban (13th Floor) 90-91, Motijheel C/A, Dhaka-1000

APPLICATION BY RENOUNCEE (S)

The Managing Director
Central Insurance Company Ltd.
Uttara Bank Bhaban (13th Floor)
90-91, Motijheel C/A
Dhaka-1000

Dated: ……./……/2012

Dear Sir,

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered in my/our favor, I/We do hereby apply for the number of share noted above as renounced, by making payment of BDT………… being the value of ……………………………..Shares @ BDT 15/- each including a premium of BDT 5/- per share.

Yours faithfully,

1. Signature ………………………………....................	2. Signature ………………………………...................
Name (in block)……………….…………....................	Name (in block)……………….…………....................
S/O. D/O. W/O. …….………………………..................	S/O. D/O. W/O. …….………………………..................
Address:…………………………………….....................	Address:…………………………………….....................
…………………………………..…................................	…………………………………..….............................
BO No.	BO No.

N.B. use photocopy in case of renouncement favoring more than 1 (one) persons

1. Signature of the Renouncee (s) 1. ………………………………................ …………….
2.……………………………………………………….

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Folio No. is to be mentioned only in case of existing shareholder(s)

……

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received BDT..……………………………(Taka…………………………………………………………….) only From Mr./Ms……….…………………………..……………………………Folio/BO Account No..………………………..…………… for……………no.s of Rights Share of Central Insurance Company Limited in Cash / Draft / Pay Order / Cheque No ………………………………dated……………..……… of ………………………..…… Bank ……………..…………Branch.

Application Sl. No. (Bank's Seal)…………………..

Signature of Receiving Officer
Date:

Credit Rating Report
Central Insurance Company Limited

Ratings

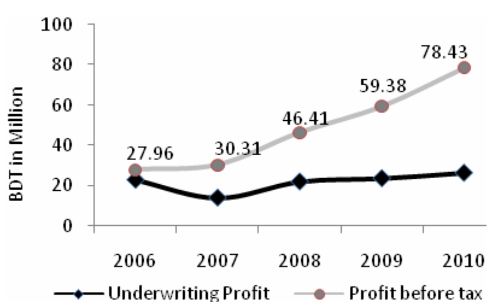
Long Term : A3
Short Term : ST-3
Date of Rating: 03 July, 2011
Valid till : 30 June 2012

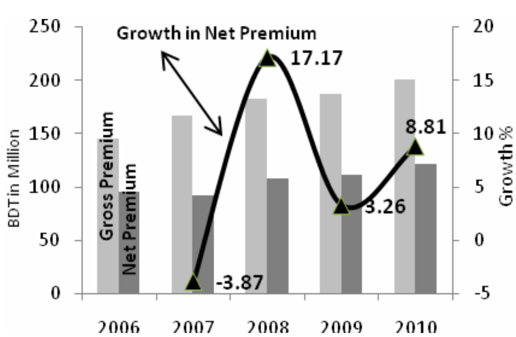
Analysts:
Md. Saiful Islam
saiful@crab.com.bd

Fareba Naz Shaule
fareba.naz@crab.com.bd

Financial Highlights

	Year ended December 31	
(Months)	(12)	(12)
(BDT Mil)	**2010**	**2009**
Total Gross premium	200.10	186.45
Total Net Premium	120.88	111.09
Underwriting Profit	26.47	23.74
Profit Before Tax	78.43	59.38
Paid-Up Capital	195.37	169.88
Total shareholders' equity	552.53	495.27
Loss ratio (%)	29.86	32.50
Expense ratio (%)	58.64	60.21
Combined ratio (%)	88.49	92.71
ROAE (%)	14.97	16.56
ROAA (%)	9.07	9.56
Current Ratio (Times)	1.15	1.52





■ RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned the long term rating of Central Insurance Company Limited (hereinafter called as 'CICL' or the 'Company') at "A3" (pronounced Single A Three) and short term rating at "ST-3". CRAB performed the rating assignment based on audited financial statements up to 31st December 2010 and other relevant information.

Insurance Companies rated 'A' have strong financial security characteristics, but are somewhat more likely to be affected by adverse business conditions than Insurers with higher ratings.

Insurance Companies rated **'ST-3'** have adequate ability to meet their financial commitments on short-term policy obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened ability of the insurers to meet their financial obligations.

The rating reflects the Company's strength in satisfactory profitability, liquidity position, as well as reserve adequacy. However, the rating is constrained by higher expense ratio, business volume and business growth.

CICL was incorporated in 1987 with authorized and paid up capital of BDT 300 million and BDT 130.68 million respectively. As on 31st December 2010, the Company's paid up capital was BDT 195.37 million.

In 2010 CICL's gross premium earnings was BDT 200.10 million which increased by 7.32% geared by fire class of business. Net premium earnings increased by 8.81% because of stable risk retention. In 2010, net claims decreased marginally by 0.04% resulted from decreased net claim in the fire class of business significantly (40.74%).

During 2010, loss ratio reduced by 2.64 percentage points to 29.86% due to decreased net claim in fire class of business. Expense ratio also decreased by 1.57 percentage points and became 58.64%. As a result, the combined ratio also decreased by 4.22 percentage points to 88.49%. In 2010, the Company managed to reduce excess management expenses as percentage of allowable management expense by 1.34 percentage points to 7.34% in 2010.

During 2010, CICL settled claims of BDT 27.88 million out of total claim of BDT 150.21 million. So the claim settlement ratio was 18.56% which was 31.10% in 2009.

In 2010, 68.24% of revenue was generated from investment & other income and 31.76% from underwriting profit. During this period, underwriting profit margin increased marginally by 0.53 percentage point to 21.90%. The net profit (before tax) of CICL in 2010 increased by 32.08% and return on average assets (ROAA) decreased by 0.49 percentage point to 9.07%.

Of the total investment portfolio 14.04% was invested in shares. In 2010 investment & other income increased by 37.23% resulted from capital gain from stock market investment. The investment yield of CICL was 10.23% in 2010 (2009: 12.12%)

As on 31st December 2010, the paid up capital of CICL was BDT 195.37 million and BDT 225 million as on 30 June 2011. In 2010 shareholders' equity grew by 11.56% on the back of higher profitability.

During 2010, CICL's solvency margin remained above the required level. In 2010 available solvency was 16.32 times of required solvency which was 16.02 times in 2009.

In 2010, CICL's current assets increased by 21.34% due to increased fixed deposit, while current liabilities increased by 60.87% due to increased bank overdraft. CICL's liquid asset to net claim was 13.37 times in 2010 and 11.02 times in 2009. The ratio increased by 2.63 times due to increase of current assets. Of the total liabilities, 43.19% was current liabilities and of the total assets, 49.63% was liquid assets in 2010.
Sadharan Bima Corporation (SBC) has provided treaty reinsurance protection to CICL. Risk retention of the Company was high in motor and marine class of business which was in the line of the industry. The loss ratio was above the industry average from the year 2007. In 2010, risk retention of the Company increased marginally by 0.83 percentage point to 60.41%.

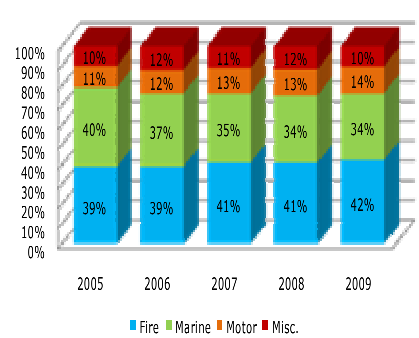
In 2010 CICL kept BDT 95.11 million as reserve for exceptional losses which increased by 14.56% over the last year.

1.0 GENERAL INSURANCE INDUSTRY REVIEW

Bangladesh economy has remained reasonably resilient in 2010 despite continued effects of global recession. GDP of the country attained 5.8% growth in FY10 compared to 5.9% growth in FY09. Conditions are expected to improve over the medium term, with ready-made garment exports and investment demand providing a boost. These factors are creating supportive conditions in FY11, although these are also accompanied by rising import growth and slowing remittance flow growth.

In Bangladesh 43 private insurers and one Government Corporation are operating in the non life insurance sector. Private sector non-life insurance companies earned gross premium of BDT 12,284.20 million in 2009 (2008: BDT 11,163.93 million) recording a growth of 10.03%. Average gross premium by non-life insurance companies was BDT 285.68 million with standard deviation of BDT 304.70 million. Segment wise gross premium figures show that fire insurance dominates with 42.35% of total gross premium followed by marine insurance business 33.78%. On the other hand, total gross claim was BDT 3,289.20 million in 2009 and maximum claim amount belonged to fire insurance with 59.78% of total claims followed by motor insurance 16.48%

Exhibit: 1 Industry Gross Premium



Total assets of private sector non-life insurance companies reached at BDT 32,676.63 million in 2009 registering 43.59% growth compared to previous year. Total investment & fixed deposit portfolio grew by 13.22% in 2009 and stood at BDT 12,765.15 million. Average underwriting profit of private sector non life insurance in 2009 was BDT 31.56 million (2008: 21.65 million) with standard deviation of BDT 21.65 million. Average net profit was BDT 50.78 million in 2009 with standard deviation of BDT 46.66 million.

In 2009 average loss ratio of private sector non life insurance was 22.73% and return on average assets (ROAA) was 7.88

2.0 OPERATIONAL REVIEW

2.1 Company Profile

CICL was incorporated as a public limited Company in 1987 and commenced the business in the same year with authorized and paid up capital BDT 300 million and BDT 130.68 million respectively. As on 31st December 2010, CICL's authorized and paid up capital was BDT 300.00 million and 195.37 million respectively. The Company went into public issue in 1994 and its shares are listed with both Dhaka and Chittagong Stock Exchanges. Central Insurance Investment Ltd. is a subsidiary Company of CICL to carry out Merchant Bank activities. At the end of 2010 the Company has 27 Branches around the country.

2.2 Classes of Business and Changes

In 2010 CICL's gross premium was BDT 200.10 million whereas net premium was BDT 120.88 million. For the last few years, except 2007, marine class of business is dominating net premium earnings. In 2010, net premium from marine class of business was 51.02% followed by fire 27.10%, motor 16.26% and miscellaneous 5.63%. During the year, net premium increased by 8.81% drive by high growth in marine and motor class of business.

Exhibit 2: Sector-Wise Net Premium

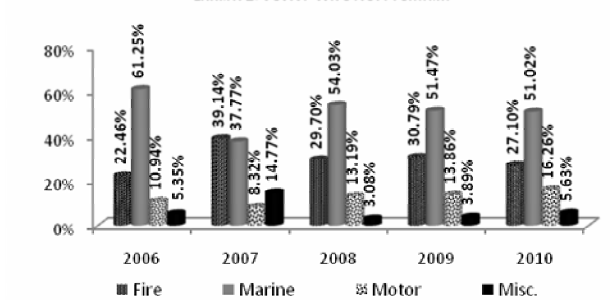


Table 1

Segregation of Net Premium						
	Year ended December 31					
(Month)	(12)			(12)		
(BDT Mil)	2010			2009		
	Amount	% of Total	Growth (%)	Amount	% of Total	Growth (%)
Fire	32.75	27.10	(4.24)	34.20	30.79	7.05
Marine	61.67	51.02	7.86	57.17	51.47	(1.65)
Motor	19.65	16.26	27.66	15.39	13.86	8.51
Misc.	6.81	5.63	57.50	4.32	3.89	30.25
Total	120.88	100.00	8.81	111.09	100.00	3.26

Although net claims increased in marine (102.24%) and motor class (430.48%) of business however, net claim in fire class of business reduced significantly (40.74%) with a greater amount so the overall net claim reduced marginally by 0.04% in 2010. Of the total net claim highest claim incurred in fire class of business, 45.08% followed by marine 38.48% and motor 16.38%.

Exhibit 3: Sector-Wise Net Claim

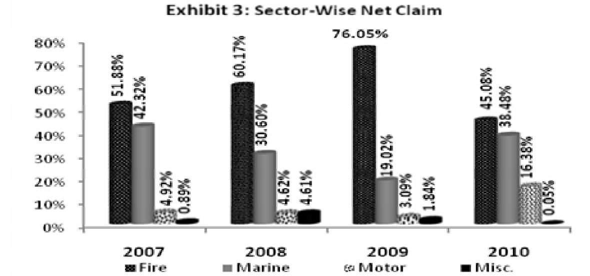


Table 2

Sector-Wise Net Claim

	Year ended December 31					
(Month)	(12)			(12)		
(BDT Mil)	2010			2009		
	Amount	% of Total	Growth (%)	Amount	% of Total	Growth (%)
Fire	16.27	45.08	(40.74)	27.46	76.05	56.17
Marine	13.89	38.48	102.24	6.87	19.02	(23.19)
Motor	5.91	16.38	430.48	1.11	3.09	(17.50)
Misc.	0.02	0.05	(97.03)	0.67	1.84	50.56
Total	36.09	100.00	(0.04)	36.11	100.00	23.56

2.3 Growth Analysis

During 2010 CICL's gross premium earnings increased by 7.32% due to increase in share of direct business (6.77%) as well as government business (10.71%). Net premium earnings also increased in the line of gross premium by 8.81% because of stable risk retention. In 2010, gross claim declined by 24.98% and net claim reduced marginally by 0.04% due to low recovery from SBC. Management expenses of CICL increased by 5.97% resulted from increasing agency commission mostly. However, as an overall effect underwriting profit increased by 11.49% and reached BDT 26.47 million. In 2010 investment & other income increased by 37.23% due to capital gain from stock market investment. Net profit (before tax) increased by 32.08% on the back of higher underwriting profit as well as investment income. In 2010 shareholders' equity grew by 11.56% through internal capital generation. Total asset of the Company was BDT 972.52 million registering a growth of 28.58% in 2010.

Table 3

Growth Analysis

	Year ended December 31				
(Month)	(12)	(12)	(12)	(12)	(12)
(Mil. BDT)	2010	2009	2008	2007	2006
Gross Premium	**200.10**	**186.45**	**181.75**	**166.13**	**145.03**
Growth (%)	7.32	2.58	9.40	14.55	
Net Premium	**120.88**	**111.09**	**107.58**	**91.82**	**95.52**
Growth (%)	8.81	3.26	17.17	(3.87)	
Gross Claim	**55.89**	**74.50**	**81.33**	**48.81**	**50.71**
Growth (%)	(24.98)	(8.40)	66.63	(3.75)	
Net Claim	**36.09**	**36.11**	**29.22**	**25.24**	**(4.07)**
Growth (%)	(0.04)	23.56	15.75	(720.68)	
Underwriting Profit	**26.47**	**23.74**	**22.09**	**13.96**	**22.97**
Growth (%)	11.49	7.48	58.28	(39.23)	
Investment & Other Income	**56.89**	**41.45**	**29.88**	**26.82**	**19.09**
Growth (%)	37.23	38.72	11.42	40.47	
Net Profit before Tax	**78.43**	**59.38**	**46.41**	**30.31**	**27.96**
Growth (%)	32.08	27.93	53.11	8.44	
Management Expense	**70.88**	**66.89**	**63.81**	**75.98**	**107.09**
Growth (%)	5.97	4.82	(16.02)	(29.05)	
Shareholder's Equity	**552.53**	**495.27**	**221.96**	**194.05**	**171.09**
Growth (%)	11.56	123.13	14.39	13.42	
Total Assets	**972.52**	**756.35**	**485.39**	**440.42**	**427.11**
Growth (%)	28.58	55.82	10.21	3.12	

2.4 Market Share

In 2009 the market share of CICL in case of gross premium was 1.52% which placed the Company in 24st position in the industry. In 2009 the underwriting profit of CICL was BDT 23.74 million that placed the Company on 21th position in the industry. The net profit (before tax) was BDT 59.38 million in 2009 which placed the Company on 12th position with market share of 2.72%. In terms of total assets CICL secured 12th position in the industry.

Table 4

Market Share of Central Insurance Company Limited in 2009[1]

	CICLL	Industry[2]	Market Share	Market Position (Out of 42)
Gross Premium	186.45	12284.20	1.52%	24th
Net Premium	111.09	6,670.68	1.67%	23th
Underwriting Profit	23.74	1,356.90	1.75%	21th
Investment & Other Income	41.45	1,546.88	2.68%	11th
Net Profit (before tax)	59.38	2,183.52	2.72%	12th
Investment	255.64	12765.15	2.00%	21th
Total Assets	756.35	32,676.63	2.31%	12th

[1] Source: Insurance Year Book 2009, published by Bangladesh Insurance Association (Industry information was available up to 2009)

[2] Industry – Private Sector (excluding SBC)

3.0 Financial Review

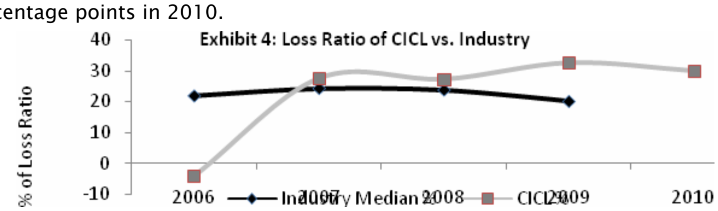
3.1 Underwriting Quality

Table 5

Underwriting Performance

	Year ended December 31				
(Month)	(12)	(12)	(12)	(12)	(12)
	2010	**2009**	**2008**	**2007**	**2006**
Loss Ratio (%)	29.86	32.50	27.16	27.49	(4.26)
Fire (%)	49.68	80.28	55.03	36.44	(24.46)
Marine (%)	22.52	12.01	15.38	30.80	0.09
Motor (%)	30.09	7.24	9.52	16.24	5.71
Misc. (%)	0.29	15.41	40.59	1.65	10.36
Expense Ratio (%)	58.64	60.21	59.32	82.75	112.11
Combined Ratio (%)	**88.49**	**92.71**	**86.48**	**110.24**	**107.85**

During 2010 combined ratio of CICL decreased by 4.22 percentage points on the back of decreasing loss ratio as well as expense ratio. During this period, loss ratio reduced by 2.64 percentage points due to decreased net claim in fire class of business (2010: BDT 16.27 million; 2009: BDT 27.46 million). The Company also reduced expense ratio by 1.57 percentage points in 2010.



3.2 Management Expense

Total management expenses of CICL comprises of management expense and agency commission shown in the revenue account and management expenses shown in profit & loss account minus depreciation. Management expense had a decreasing trend up to 2008 and it started again up-ward from the year of 2009. During 2010 management expenses increased by 5.97% and reached BDT 70.88 million.

Table 6

Class-Wise Management Expense

	Year ended December 31				
(Month)	(12)	(12)	(12)	(12)	(12)
(Mil. BDT)	**2010**	**2009**	**2008**	**2007**	**2006**
Fire	15.72	14.54	13.26	20.71	27.52
Marine	15.36	14.90	13.56	12.44	34.93
Motor	4.13	3.51	2.97	3.05	6.06
Misc.	2.59	2.51	2.85	5.80	8.07
Total	37.80	35.47	32.65	42.01	76.58
Mgt. Expense (P/L Account)	2.54	3.37	2.97	8.37	12.27
Agency Commission	30.53	28.04	28.20	25.60	18.24
Grand Total	**70.88**	**66.89**	**63.81**	**75.98**	**107.09**
Growth (%)	5.97	4.82	(16.02)	(29.05)	-

As per Insurance Rule 1958, under section 40, in 2010 CICL was allowed to incur management expenses of BDT 66.03 million but the Company incurred BDT 70.88 million which was 7.34% (2009: 8.69%) higher than the allowable management expenses.

Table 7

Allowable Management Expense

	Year ended December 31				
(Month)	(12)	(12)	(12)	(12)	(12)
(Mil. BDT)	**2010**	**2009**	**2008**	**2007**	**2006**
Actual Management Expense	70.88	66.89	63.81	75.98	107.09
Allowable Management Expense	66.03	61.54	61.12	57.04	45.67
Excess Management Expenses	4.85	5.35	2.69	18.94	61.41
Excess Management Expenses as % of Allowable Expense (%)	7.34	8.69	4.40	33.20	134.47

3.3 Claim Settlement

Table 8

Claim Settlement

	Year ended December 31				
(Month)	(12)	(12)	(12)	(12)	(12)
(Mil. BDT)	**2010**	**2009**	**2008**	**2007**	**2006**
1) Claims Outstanding at the Beginning of the Year	93.68	76.70	82.25	77.41	89.20
2) Claims Lodged during the Year	56.52	59.28	28.97	24.12	21.50
3) Total Claims	**150.21**	**135.97**	**111.22**	**101.54**	**110.70**
4) Claims Paid during the Year	27.88	36.23	33.82	17.29	19.11
5) Claims Paid as % of Total Claims	18.56	26.64	30.41	17.03	17.27
6) Claims Repudiated during the Year		6.07	0.71	1.99	14.18
7) Claims Repudiated as % of Total Claims	0.00	4.46	0.64	1.96	12.80
8) Claims Settled during the Year	**27.88**	**42.29**	**34.53**	**19.28**	**33.29**
9) Claims Settled as % of Total Claims	**18.56**	**31.10**	**31.04**	**18.99**	**30.07**
10) Claims Outstanding at the End of the Year	**122.32**	**93.68**	**76.70**	**82.25**	**77.41**

If we considered both the CICL's share and SBC's share then during 2010, total claims were 166 of BDT 150.21million from all classes of business where 112 claims of BDT 56.52 million incurred during that period. Of the total claims, 84 claims of BDT 27.88 million were settled during 2010 (there was no repudiated claims in 2010). The outstanding claims at the end of year were 82 claims of BDT 122.32 million (2009: 54 claims, BDT 93.68 million). In 2010 the claims settlement ratio of the Company was 18.56% which was 31.10% in 2009.

Table 9

Claim Settlement

	Year ended December 31		
(Month)	(12)	(12)	(12)
(In days)	**2010**	**2009**	**2008**
Fire	167	131	112
Marine	93	-	150
Motor	109	100	235

In 2010 average claim settlement period of CICL in case of fire class of business was increased to 167 days from 131 days in 2009. On the other hand, the Company decreased claims period in marine class to 93 days from 150 days in 3008. Motor class of business took more days (109 days) compared to 2009 (100 days) but fewer days compared to 2008 (235 days). Here the time difference between date of claim intimation and the date of claim settled/repudiated was considered as claim settlement period.

3.4 Profitability

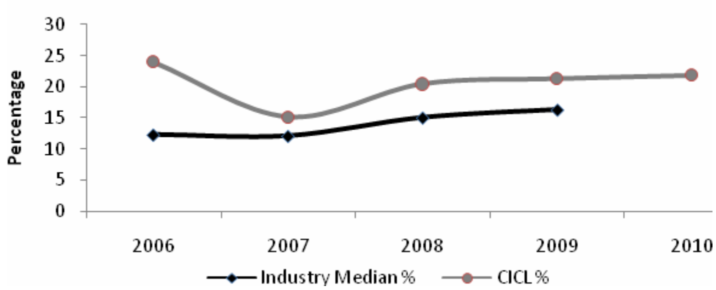
The revenues sources of CICL were underwriting profit and investment & other income. In the last few years, revenue (in 2010 BDT 83.36 million) stream was dominated by investment & other income. In 2010, 68.24% of revenue was generated from investment & other income and 31.76% from underwriting profit. During the period, investment & other income grew by 37.23% due to high exposure in the capital market and underwriting profit by 11.49% geared by high underwriting profit from marine class of business and reached BDT 26.47 million. CICL underwriting profit was dominated by marine class of business which was in the line of the industry scenario.

Table 10

Profitability

	Year ended December 31				
(Month)	(12)	(12)	(12)	(12)	(12)
(Mil. BDT)	**2010**	**2009**	**2008**	**2007**	**2006**
Investment and Other Income	56.89	41.45	29.88	26.82	19.09
Underwriting Profit	26.47	23.74	22.09	13.96	22.97
Profit before tax	78.43	59.38	46.41	30.31	27.96

Exhibit 5: Underwriting Profit Margin of CICL vs. Industry

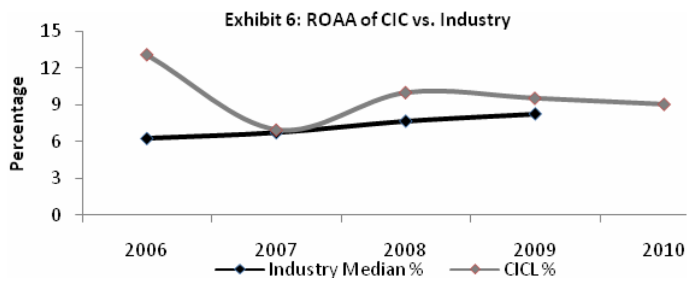


In 2010 net profit (before tax) of CICL increased by 32.08% and reached BDT 78.43 million from BDT 59.38 million in 2009. In 2010 return on average equity decreased marginally by 1.59 percentage points and stood at 14.97% due to more increased of shareholders' equity compared to the increased of net profit before tax. Return on average assets also decreased marginally by 0.49 percentage point and stood 9.07% geared by the investment of BDT 100 million in Central Insurance Investment Limited.

Table 11

ROAA & ROAE

	Year ended December 31				
(Month)	(12)	(12)	(12)	(12)	(12)
	2010	**2009**	**2008**	**2007**	**2006**
Return on Average Equity (ROAE) (%)	14.97	16.56	22.31	16.60	32.68
Return on Average Asset (ROAA) (%)	9.07	9.56	10.03	6.99	13.09



3.5 Investment Profile

In 2010 investment portfolio of CICL increased significantly by 69.33% and reached BDT 432.87 million. Traditionally, the bulk of the investment portfolio was placed in FDR. In 2010 CICL invested new BDT 100.00 million in Central Insurance Investment Limited. Investment in capital market was also significant from the last few years. Of the total investment 61.8% was in fixed deposit followed by 23.10% in Central Insurance Investment Limited, 14.04% in shares and remaining 1.04% in National Investment Bonds.

Table 12

Investment Segregation

	Year ended December 31			
(Month)	(12)		(12)	
(BDT Mil)	2010		2009	
	Amount	% of Total	Amount	% of Total
National Investment Bonds	4.50	1.04	4.50	1.76
Investment in Share	60.79	14.04	28.96	11.33
Investment in CI Investment Ltd	100.00	23.10	0.00	0.00
Fixed deposit	267.57	61.81	222.18	86.91
Total	432.87	100.00	255.64	100.00

As on 31st December 2010 the Company invested in shares of 20 different companies at cost of BDT 60.79 million and market value of BDT 58.70 million. During 2010, the Company realized BDT 20.63 million from sale of listed companies' shares. The investment yield of CICL was 10.23% in 2010 (2009: 12.12%).

3.6 Capital Adequacy

During 2010 paid up capital of CICL was BDT 195.37 million. In 2010 shareholders' equity grew by 11.56% on the back of internal capital generation. Company's shareholders' equity to total assets was 56.81% (2009: 65.48%). Net premium to shareholders' equity was 21.88% in 2010 (2009: 22.43%)

3.7 Solvency Margin

In 2010 CICL's solvency margin remained significantly higher than the required level. Company's required solvency was BDT 27.13 million whereas the Company's available solvency was BDT 442.68 million which means the value of the assets had more than the liabilities in that particular period. So, in 2010 the available solvency was 16.32 times of required solvency which was 16.02 times in 2009.

Table 13

Solvency

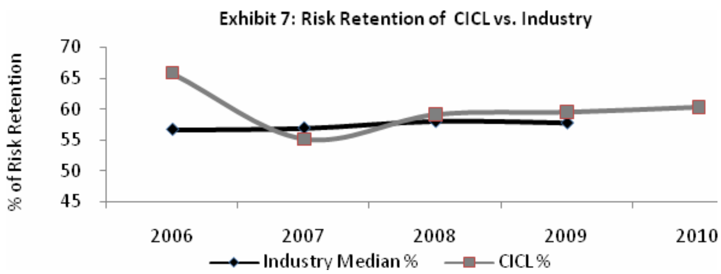
	Year ended December 31				
(Month)	(12)	(12)	(12)	(12)	(12)
(Mil. BDT)	**2010**	**2009**	**2008**	**2007**	**2006**
Available solvency	442.68	394.56	157.56	234.27	213.94
Required Solvency	27.13	24.63	24.54	20.53	21.12
AS/RS (Times)	**16.32**	**16.02**	**6.42**	**11.41**	**10.13**

3.8 Liquidity Position

In 2010, CICL's current assets increased by 21.34% due to increased fixed deposit (2010: BDT 267.57 million; 2009: BDT 222.18 million) and current liabilities 60.87% due to increased bank overdraft (2010: BDT 137.91 million; 2009: 25.98 million) respectively. CICL's claims paying ability was 13.37 times in 2010 and 11.02 times in 2009. The Company's claim paying ability increased by 2.63 times due to increased of current assets. Of the total liabilities, 43.19% was current liabilities and of the total assets, 49.63% was liquid assets in 2010.

3.9 Re- Insurance Utilization

Sadharan Bima Corporation (SBC) has provided treaty reinsurance protection to CICL. Each year SBC receives the treaty retention capacity of all private general insurance companies. The retention capability for 1st April 2011 to 31st March 2012 was: Fire BDT 5.00 million; Marine Cargo BDT 2.5 million; Miscellaneous: BDT 1.50 million for all business, BDT 0.20 million for personal accident; All type of Engineering BDT 1.00 million and Motor: BDT 0.05 million.



Usually high retention level signals inadequate reinsurance protection while low retention level hampers profitability. Risk retention of CICL was almost stable in the last couple of years. In 2010 risk retention of the Company increased marginally by 0.83 percentage point to 60.41%. CICL increased risk retention in marine and motor class of business and reduced risk retention in fire class of business.

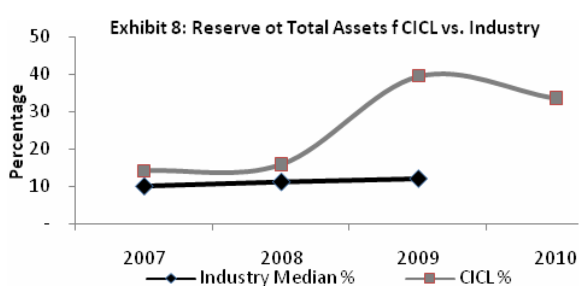
Table 14

Risk retention Ratio

	Year ended December 31				
(Month)	(12)	(12)	(12)	(12)	(12)
(In %)	**2010**	**2009**	**2008**	**2007**	**2006**
Fire (%)	42.20	48.38	45.52	46.72	41.32
Marine (%)	77.16	74.50	78.67	69.79	88.11
Motor (%)	96.50	89.32	89.49	66.66	91.54
Misc. (%)	30.66	19.85	15.21	48.34	33.43
Risk retention ratio	60.41	59.58	59.19	55.27	65.86

3.10 Reserve Adequacy

In 2010 CICL kept BDT 95.11 million for exceptional losses which increased by 14.56% over the last year. The proportion of reserve for exceptional losses was 0.79 times of net premium and 2.64 times of net claim. Moreover, during the year the Company maintained general reserve of BDT 20.00 million. In 2010, CICL's reserve to total assets was 36.73%. (2009: 43.02%).



4.0 Corporate Governance

4.1 Shareholder Pattern

As on 31st December 2010 the paid up capital of CICL was BDT 195.37 million of which 1,953,666 shares of total, 52.01% was held by the Sponsors & Directors, 12.41% by the ICB & Institutions and rest 35.58% by the General Public. Executives of the Company held no shares at all and no individual shareholder held more than 10% shares.

Table 15

Shareholding

	Year ended December 31		
Category of Shareholders	No. of Shares	% of Holding	Amount
Sponsors & Directors	1,016,131	52.01%	101,613,100
ICB % Institutions	242,382	12.41%	24,238,200
General Public	695,153	35.58%	69,515,300
Total	1,953,666	100.00%	195,366,600

4.2 Board of Directors

Alhaj Md. Abu Taher Chowdhury is the Chairman of the Board. The Board of CICL has 21 members (including Independent Director and Managing Director) and most of them have entrepreneurial experiences. During 2010 the Board held 5 meetings. The Board has formed three committees. Those are (1) Advisory Committee (2) Executive Committee and (3) Audit Committee.

4.2.1 Advisory Committee

The advisory committee has the authority to recruit, up to the post of Assistant Vice President and above this post the recruitment is conducted with the approval of the Board.

4.2.2 Executive Committee

Alhaj Md. Shafi is the Chairman of executive committee. It has total 7 members. Executive Committee held 3 meetings in 2010. Major responsibilities of this committee are: implementation of policies, approval of claims, approval of all expenditures, Approval of proposal for new branch offices, appointment, promotion, terminations etc.

4.2.3 Audit Committee

Mr. Md. Tayabur Rahman is the Chairman of Audit Committee. The independent Director, Mr. Md. Nurul Islam is the member of this committee. It has 3 members. Audit committee held 1 meeting in 2010. Audit Committee examines the financial affairs of the Company and reviews internal control and the policies related to liquidity management and capital management.

5.0 MANAGEMENT REVIEW

5.1 Senior Management

The management team of CICL is headed by Mr. Md. Zahid Anwar Khan, Managing Director. He has been experiencing for the last 22 years in the insurance profession. Mr. Md. Zahid Anwar is assisted by 1 (one) consultant, 1 (one) Deputy Managing Director & CFO, 1 (one) Company Secretary, 2 (two) Senior Vice Presidents, two (2) Vice Presidents, 2 (two) Assistant Vice Presidents and 6 (six) Senior Managers

5.2 Human Resource

As on 31st December 2010 CICL had total 332 employees (in 2009: 347 employees). The Company has total 27 branches, among those 10 are in Dhaka Division; 4 in Chittagong Division and 13 in other areas of Bangladesh. The recruitment of officer in different grades is made either directly by taking test or interview or by promoting from lower grade to upper grade. CICL took steps for training of its employees internally by senior officers of the Company and by Bangladesh Insurance Academy (BIA).

5.3 MIS Department

CICL uses software in its accounting department and it has planned to use in its underwriting and re-insurance department. The Company intends to install this software in all its branches. CICL uses separate software developed by Beximco in its share department. In addition the Company maintains a broad brand internet connection for corresponding and most important for operating their business in the capital market. CICL already have made contact with some developers regarding publishing a website.

Annexture-1

Corporate Information Page

Shareholding Position as on 3th December 2010			
Category of Shareholders	No. of Shares	% of Holding	Amount
Sponsors & Directors	1,016,131	52.01%	101,613,100
ICB & Institutions	242,382	12.41%	24,238,200
General Public	695,153	35.58%	69,515,300
Total	1,953,666	100.00%	195,366,600

Auditor:
G. Kibria & Co. Chartered Accountants

Senior Management

Mr. Md. Zahid Anwar Khan	Managing Director & CEO
Mr. Tasirudddin Ahmed	Consultant
Mr. Md. Zafrul Islam Bhuiyan	Deputy Managing Director & CFO
Mr. S. M. Jahirul Alam	Senior Vice President
Mr. Md. Morshed Hasan	Senior Vice President
Mr. Md. Mahfizur Rahman	Vice President
Mr. Jagadish Kumar Bhanja	Vice President & Company Secretary
Mr. Md. Azahar Hossain	Assistant Vice President
Mr. S. M. Hasan Akther	Assistant Vice President

CRAB RATING SCALES AND DEFINITIONS

LONGTERM CREDIT RATING: INSURANCE

RATING	DEFINITION
AAA Triple A (Extremely Strong Financial Security)	Insurance Companies rated 'AAA' have EXTREMELY STRONG financial security characteristics. 'AAA' is the highest Insurer Financial Strength Rating assigned by CRAB.
AA_1, AA_2, AA_3* Double A (Very Strong Financial Security)	Insurance Companies rated 'AA' has VERY STRONG financial security characteristics, differing only slightly from those rated higher.
A_1, A_2, A_3 Single A (Strong Financial Security)	Insurance Companies rated 'A' have STRONG financial security characteristics, but are somewhat more likely to be affected by adverse business conditions than Insurers with higher ratings.
BBB_1, BBB_2, BBB_3 Triple B (Good Financial Security)	Insurance Companies rated 'BBB' have GOOD financial security characteristics, but are more likely to be affected by adverse business conditions than higher rated insurers.
BB_1, BB_2, BB_3 Double B (Marginal Financial Security)	Insurance Companies rated 'BB' have MARGINAL financial security characteristics. Positive attributes exist, but adverse business conditions could lead to insufficient ability to meet financial commitments.
B_1, B_2, B_3 Single B (Weak Financial Security)	Insurance Companies rated 'B' have WEAK financial security characteristics. Adverse business conditions are likely to impair their ability to meet financial commitments.
CCC_1, CCC_2, CCC_3 Triple C (Very Weak Financial Security)	Insurance Companies rated 'CCC' have VERY WEAK financial security characteristics, and are dependent on favorable business conditions to meet financial commitments.
CC Double C (Extremely Weak Financial Security)	Insurance Companies rated 'CC' have EXTREMELY WEAK financial security characteristics and are likely not to meet some of their financial commitments.
C Single C (Near to Default)	A 'C' rating is assigned to insurance companies that are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or have obligations subject of a bankruptcy petition or similar action though have not experienced a payment default. C is typically in default, with little prospect for meeting its financial commitments.
D (Default)	'D' is assigned to insurance companies which are in DEFAULT. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

***Note:** *CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

SHORT TERM CREDIT RATING: INSURANCE

RATING	DEFINITION
ST-1	Insurance companies rated 'ST 1' have STRONG ability to meet their financial commitments on short-term policy obligations. They are rated in the highest category by CRAB.
ST-2	Insurance companies rated 'ST 2' have a GOOD ability to meet their financial commitments on short-term policy obligations. However, they are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than insurers in the highest rating category.
ST-3	Insurance Companies rated 'ST 3' have an ADEQUATE ability to meet their financial commitments on short-term policy obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened ability of the insurers to meet their financial obligations.
ST-4	Insurance Companies rated 'ST 4' are regarded as VULNERABLE and has significant speculative characteristics. The insurance companies currently have the ability to meet their financial commitments on short-term policy obligations; however, they may be facing major ongoing uncertainties which can lead to the insurer's inadequate ability to meet their financial obligations.
ST-5	Insurance Companies rated 'ST 5' are regarded as CURRENTLY VULNERABLE to non-payment and are dependent upon favorable business, financial, and economic conditions for them to meet their financial commitments on short-term policy obligations.
ST -6	Insurance Companies rated 'ST 6' are considered to have Obligations which have a high risk of DEFAULT or which are currently in default.

- The Rating Committee of CRAB is the final authority to award a rating. The Rating Committee of CRAB is comprised of external independent persons who are not members of the Board of the Company and they ensure the independence of rating